

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 22, 2022
TO: All Parties of Record & Interested Persons
FROM: Suzanne Brownless, Special Counsel, Office of the General Counsel *SBr*
RE: Docket No. 20220001-EI – In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.

Please note that an informal meeting between Commission staff and interested persons to the above-captioned docket has been scheduled for the following time and place:

Tuesday, September 27, 2022, at 1:30 p.m.
Room 105, Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, FL 323399-0850

The purpose of the meeting is to identify issues and discuss procedures. The meeting will be conducted in person. However, parties may participate by telephone. Participation is not required; however, all interested persons are encouraged to participate. Staff's most recent Issues List is attached.

Persons may participate telephonically in this meeting by dialing **1-888-585-9008**, Conference No. **617-088-868#**. If you have any questions about the meeting, please call Suzanne Brownless at (850) 413-6218.

If settlement of the case or a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of cancellation will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at 850-413-6199.

cc: Commission Clerk

DOCKET NO. 20220001-EI
STAFF ISSUES
SEPTEMBER 22, 2022

I. FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2023 Risk Management Plan?

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 2023?

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 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?

ISSUE 1D: What is the impact on this docket, if a decision is issued in Case SC20-1601 before January 1, 2023?

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

ISSUE 1F: What is the impact on this docket, if a decision is issued in Case SC22-94 before January 1, 2023?

ISSUE 1G: If the decision in Case SC22-94 requires the return of replacement power costs to customers, what interest amount should be applied?

ISSUE 1H: Has DEF made appropriate adjustments, if any are needed, to account for replacement power costs associated with the March 2022 outage at Hines Unit 4? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

Florida Power & Light Company

ISSUE 2A: 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 2021 through December 2021, and how should that gain to be shared between FPL and customers?

ISSUE 2B: 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 2021 through December 2021?

ISSUE 2C: 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 2021 through December 2021?

ISSUE 2D: 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 2021 through December 2021?

ISSUE 2E: 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 2023?

ISSUE 2F: Should the Commission approve FPL’s 2023 Risk Management Plan?

ISSUE 2G: Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with any outages that occurred during 2020? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

ISSUE 2H: Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with any outages that occurred during 2021? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

ISSUE 2I: Has FPL made appropriate adjustments, if any are needed, to account for replacement power costs associated with any outages that occurred during 2022? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

Florida Public Utilities Company

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 3A, 3B, 3C, and so forth, as appropriate.

Gulf Power Company

Any company-specific fuel issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

Tampa Electric Company

- ISSUE 4A:** 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 2021 through December 2021, and how should that gain to be shared between TECO and customers?
- ISSUE 4B:** Should the Commission approve TECO's 2023 Risk Management Plan?
- ISSUE 4C:** Has TECO made appropriate adjustments, if any are needed, to account for replacement power costs associated with any outages that occurred during 2021 and 2022? If appropriate adjustments are needed and have not been made, what adjustments should be performed?

GENERIC FUEL ADJUSTMENT ISSUES

- ISSUE 5:** What are the appropriate actual benchmark levels for calendar year 2022 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?
- ISSUE 6:** What are the appropriate estimated benchmark levels for calendar year 2023 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?
- ISSUE 7:** What are the appropriate final fuel adjustment true-up amounts for the period January 2021 through December 2021?
- ISSUE 8:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2022 through December 2022?
- ISSUE 9:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2023 through December 2023?
- ISSUE 10:** **What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2023 through December 2023?**

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 11A, 11B, 11C, 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 12A, 12B, 12C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

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 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2021 through December 2021 for each investor-owned electric utility subject to the GPIF?

ISSUE 15: What should the GPIF targets/ranges be for the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: 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 2023 through December 2023?

ISSUE 17: **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 2023 through December 2023?**

ISSUE 18: What are the appropriate levelized fuel cost recovery factors for the period January 2023 through December 2023?

ISSUE 19: 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?

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC.

ISSUE 21A: 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?

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 22A, 22B, 22C, and so forth, as appropriate.

Gulf Power Company

Any company-specific capacity issues for Gulf Power Company will be addressed under Florida Power & Light Company above.

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 23A, 23B, 23C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2021 through December 2021?

ISSUE 25: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2022 through December 2022?

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2023 through December 2023?

ISSUE 27: What are the appropriate projected total capacity cost recovery amounts for the period January 2023 through December 2023?

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2023 through December 2023?

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2023 through December 2023?

ISSUE 30: What are the appropriate capacity cost recovery factors for the period January 2023 through December 2023?

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

ISSUE 33: Should this docket be closed?