

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Adoption and Amendment
of Rules Relating to Storm Protection Plans
and Storm Protection Plan Cost Recovery Clause

DOCKET NO.: 20190131-EU
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**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S POST-WORKSHOP
COMMENTS TO AUGUST 20, 2019 RULE DEVELOPMENT WORKSHOP**

The Florida Industrial Power Users Group ("FIPUG"), submits the following Post-Workshop Comments addressing issues raised by the Florida Public Service Commission ("Commission") Staff at the August 20, 2019, rule development workshop.

A. Ensure that Customers Do Not Pay Twice for Storm Protection Projects

1. Importantly, appropriate steps must be taken, and the rule crafted to assure that ratepayers do not pay twice, once in existing base rates, and a second time in the Storm Protection Plan Recovery Clause ("SPPRC"). The legislation authorizing the creation of the SPPRC, Chapter Law 2019-158, provides in section 366.96(8) that, "The annual transmission and distribution protection plan costs may not include costs recovered through the public utility's base rates" While it seems axiomatic from a regulatory perspective that double recovery should not occur, the devil is in the details, and it is incumbent on the Commission and staff to ensure that qualifying SPPRC expenses that were part of utility's base rates do not find their way into SPPRC clause recovery.

B. Provide Detailed Rate Impact Information for Industrial Customers

2. A key factor for FIPUG members and other utility business customers are the current and future utility costs and rates. Having accurate and detailed information about future utility costs and rates assists with business planning. The Legislature directed that the Commission issue a

report which, in pertinent part, details the actual costs and rate impacts associated with completed activities as compared to the estimated costs and rate impacts for storm protection activities, and the estimated costs and rate impacts associated with storm protection activities planned for completion of such activities. See section 366.96(10), Florida Statutes.

3. Proposed Rule 25-6.030(3) (g), Florida Administrative Code provides that the Commission report shall provide “An estimate of rate impacts for each of the first three years of the Storm Protection Plan for residential, commercial, and industrial customers.” During the workshop, a suggestion was made to limit the rate impact information to only residential customers. Tr. p. 73, l. 15-23. Such a limitation of rate impacts to only residential customers was clearly was not envisioned by the Legislature. The Legislature stated:

Beginning December 1 of the year after the first full year of implementation of a transmission and distribution storm protection plan and annually thereafter, the commission shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the status of utilities’ storm protection activities. **The report shall include, but is not limited to, identification of all storm protection activities completed or planned for completion, the actual costs and rate impacts associated with completed activities as compared to the estimated costs and rate impacts for those activities, and the estimated costs and rate impacts associated with activities planned for completion.** (emphasis added). *Id.*

FIPUG, an organization comprised of large users of electricity, urges the Commission to not limit rate impact information being provided only for residential customers. While FIPUG does not object to rate impact information being provided for the “typical” residential customer, rate impact information should be provided for commercial and industrial customers based on

the rate classifications for these commercial and industrial, and should not be limited to the “typical” commercial or industrial customer, but should provide rate impact information based on gradients of energy load factor and demand levels. The suggestion that information about rates for commercial and industrial customers could be obtained through discovery misses the point. The Legislature directed that such rate information be provided without designating such information only is provided for one customer class. Further, unless the Commission report proceeding were opened as a docketed matter which provided parties the ability to conduct discovery, FIPUG would not have the ability to conduct discovery into the future rate impacts on industrial customers, and would be wholly dependent on staff to make such inquiries.

For the foregoing reasons, the proposed rule should not be changed to eliminate the requirement that rate impact information be provided for commercial and industrial customers.

Dated this 27th day of August, 2019.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail on this 27th day of August, 2019, to the following:

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