

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power Cost Recovery  
Clause and Generating Performance Incentive Factor

Docket No. 20190001-EI

Filed: October 1, 2019

**FLORIDA POWER & LIGHT COMPANY’S PREHEARING STATEMENT**

Florida Power & Light Company (“FPL”), pursuant to Order No. PSC-2019-0059-PCO-EI, hereby submits its Prehearing Statement regarding the issues to be addressed at the hearing scheduled for November 5-7, 2019.

**1) WITNESSES**

<b>WITNESS</b>	<b>SUBJECT MATTER</b>	<b>ISSUES</b>
R. B. Deaton	FPL SolarTogether Credit	2G
R. B. Deaton	Fuel Adjustment True-up and Projections	6-11 and 18-22
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E. J. Anderson	Revised Tariffs - Base Rate Percentage Decrease - 2017 SoBRA True-Up	2N
E. J. Anderson	2017 SoBRA True-Up Adjustment Amount	24B

## 2) EXHIBITS

<b>Witness</b>	<b>Exhibits</b>	<b>Description</b>
<b>R. B. Deaton</b>	RBD-1	2018 FCR Final True Up Calculation
<b>R. B. Deaton</b>	RBD-2	2018 CCR Final True Up Calculation ( <b>Confidential</b> )
<b>R. B. Deaton</b>	RBD-3	2019 FCR Actual/Estimated True Up Calculation
<b>R. B. Deaton</b>	RBD-4	2019 CCR Actual/Estimated True Up Calculation
<b>R. B. Deaton</b>	RBD-5	2018 FCR Final True Up Calculation REVISED
<b>R. B. Deaton</b>	RBD-6	2018 CCR Final True Up Calculation REVISED
<b>R. B. Deaton</b>	RBD-7	Appendix II 2020 FCR Projection (Jan-Apr)
<b>R. B. Deaton</b>	RBD-8	Appendix III 2020 FCR Projection (May-Dec)
<b>R. B. Deaton</b>	RBD-9	Appendix IV 2020 FCR Projection (Jan-Dec)
<b>R. B. Deaton</b>	RBD-10	Appendix V 2020 CCR Projection (Jan-Dec) ( <b>Confidential</b> )
<b>G. J. Yupp</b>	GJY-1	2018 Incentive Mechanism Results ( <b>Confidential</b> )
<b>G. J. Yupp</b>	GJY-2	Appendix I Fuel Cost Recovery
<b>C. R. Rote</b>	CRR-1	Generating Performance Incentive Factor Performance Results for January 2018 through December 2018
<b>C. R. Rote</b>	CRR-2	Generating Performance Incentive Factor Performance Targets for January 2020 through December 2020
<b>W. F. Brannen</b>	WFB-1	List of FPL Universal PV Solar Energy Centers in Service
<b>W. F. Brannen</b>	WFB-2	Typical Solar Energy Center Block Diagram
<b>W. F. Brannen</b>	WFB-3	Renderings of 2020 Solar Energy Centers
<b>W. F. Brannen</b>	WFB-4	Specifications for 2020 Solar Energy Centers
<b>W. F. Brannen</b>	WFB-5	Property Delineations, Features and Land Use of 2020 Solar Energy Centers
<b>W. F. Brannen</b>	WFB-6	Construction Schedule for 2020 Solar Energy Centers

<b>Witness</b>	<b>Exhibits</b>	<b>Description</b>
<b>J. Enjamio</b>	JE-1	Load Forecast
<b>J. Enjamio</b>	JE-2	FPL Fuel Price Forecast
<b>J. Enjamio</b>	JE-3	FPL Resource Plans
<b>J. Enjamio</b>	JE-4	CPVRR – Costs and (Benefits)
<b>L. Fuentes</b>	LF-1	2020 SoBRA Revenue Requirement Calculation
<b>L. Fuentes</b>	LF-2	2017 SoBRA Final Revenue Requirement Calculation
<b>E. J. Anderson</b>	EJA-1	2020 SoBRA Factor Calculation
<b>E. J. Anderson</b>	EJA-2	Projected Retail Base Revenues for May 1, 2020
<b>E. J. Anderson</b>	EJA-3	Summary of Tariff Changes for May 1, 2020
<b>E. J. Anderson</b>	EJA-4	Revised 2017 SoBRA Factor
<b>E. J. Anderson</b>	EJA-5	2017 Project Refund Calculation
<b>E. J. Anderson</b>	EJA-6	2017 SoBRA Prospective Adjustment for January 1, 2020
<b>E. J. Anderson</b>	EJA-7	Projected Retail Base Revenues for January 1, 2020
<b>E. J. Anderson</b>	EJA-8	Summary of Tariff Changes for January 1, 2020
<b>E. J. Anderson</b>	EJA-9	Typical Bill Projections

### **3) STATEMENT OF BASIC POSITION**

FPL’s 2020 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including its prior period true-ups, are appropriate and reasonable and should be approved.

FPL’s proposed 2020 Solar Project should be approved. The costs of the 2020 Solar Project are reasonable, and the Project is cost effective. The associated revenue requirement of \$50.5 million and solar base rate adjustment (“SoBRA”) factor of 0.732% were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI, and should therefore be approved here. The revised tariffs for FPL reflecting the requested base rate percentage increase for the 2020 SoBRA also were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI and should be approved. In addition, FPL’s refund, including interest, of \$6.7 million and base rate decrease of 0.049% associated with the true-up of the 2017 SoBRA should be approved.

Finally, the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology is consistent with Internal Revenue Service requirements and should therefore be approved.

#### 4) STATEMENT OF ISSUES AND POSITIONS

##### COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

**ISSUE 2A:** What is the appropriate revised SoBRA factor for the 2017 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor?

**FPL:** The revised 2017 SoBRA factor is 0.888%. (Anderson)

**ISSUE 2B:** What is the appropriate revised SoBRA factor for the 2018 projects to reflect actual construction costs that are less than the projected costs used to develop the initial SoBRA factor? (DEFERRED)

**ISSUE 2C:** What is the appropriate total gain under FPL's Incentive Mechanism approved by Order No. PSC-2016-0560-AS-EI that FPL may recover for the period January 2018 through December 2018, and how should that gain be shared between FPL and customers?

**FPL:** FPL's asset optimization activities in 2018 delivered total gains of \$62,404,332. Of these total gains, FPL is allowed to retain \$13,442,599. (Yupp)

**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 2018 through December 2018?

**FPL:** The amount of Incremental Optimization Costs for Personnel, Software, and Hardware Costs that FPL should be allowed to recover through the fuel clause is \$516,451 for the period January 2018 through December 2018. (Yupp)

**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 2018 through December 2018?

**FPL:** The amount of Incremental Optimization Costs under the Incentive Mechanism that FPL should be allowed to recover through the fuel clause for variable power plant O&M attributable to off-system sales for the period January 2018 through December 2018 is \$1,611,119. (Yupp)

**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 2018 through December 2018?

**FPL:** FPL has included a credit of \$151,215 as the amount of Incremental Optimization Costs under the Incentive Mechanism for variable power plant O&M avoided due to economy purchases for the period January 2018 through December 2018. The Commission should authorize FPL to flow this credit to customers through the fuel clause. (Yupp)

**ISSUE 2G:** If the Commission approves the FPL Solar Together Program and Tariff, what is the appropriate total FPL SolarTogether Credit amount to be recovered through the fuel cost recovery clause for the period January 2020 through December 2020?

**FPL:** The 2020 Subscription Credit associated with the proposed FPL SolarTogether Program reflected on Schedule E1 is \$31,975,895. The revised Subscription Credit is \$31,623,351, as presented in the rebuttal testimony of Scott Bores in Docket No. 20190061-EI. The change in the Subscription Credit amount does not impact the proposed 2020 fuel factors. Assuming the Commission rules on the FPL SolarTogether Program by the time it rules on the 2020 fuel factors, FPL will submit revised schedules reflecting the Subscription Credit amount ultimately approved by the Commission. (Deaton)

**ISSUE 2H:** Are the 2020 SoBRA projects (Hibiscus, Okeechobee, Southfork, and Echo River) proposed by FPL cost effective?

**FPL:** Yes. The 2020 projects are projected to result in \$26 million (CPVRR) of customer savings. (Enjamio, Brannen)

**ISSUE 2I:** What are the revenue requirements associated with the 2020 SoBRA projects?

**FPL:** \$50,491,000. (Fuentes)

**ISSUE 2J:** What is the appropriate base rate percentage increase to be effective when all of the 2020 SoBRA projects are in service, currently projected to be May 1, 2020?

**FPL:** 0.732%. (Anderson)

**ISSUE 2K:** Should the Commission approve revised tariffs for FPL, reflecting the base rate percentage increase for the 2020 SoBRA project, determined to be reasonable in this proceeding?

**FPL:** Yes. (Anderson)

**ISSUE 2L:** Has FPL made prudent adjustments, if any are needed, to account for replacement costs associated with the April 2019 forced outage at Saint Lucie Unit 1 generating station? If adjustments are needed and have not been made, what adjustment(s) should be made? (DEFERRED)

**FPL:** OPC and FPL have agreed to defer this issue to the 2020 Fuel and Purchased Power Cost Recovery Clause docket.

**ISSUE 2M:** What is the appropriate base rate percentage decrease associated with the true-up of the 2017 SoBRA Projects approved by Order No. PSC-2018-0028-FOF-EI to be effective January 1, 2020?

**FPL:** The appropriate base rate percentage decrease associated with the true-up of the 2017 SoBRA is 0.049%. (Anderson)

**ISSUE 2N:** Should the Commission approve revised tariffs for FPL to be effective January 1, 2020, reflecting the base rate percentage decrease for the true-up of the 2017 SoBRA projects determined to be reasonable in this proceeding?

**FPL:** Yes. (Anderson)

#### **GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**FPL:** FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2019. (Deaton)

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2020 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**FPL:** FPL's revised Incentive Mechanism approved by the Commission in Order No. PSC-16-0560-AS-EI does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI, so it is not applicable to FPL for calendar year 2020. (Deaton)

**ISSUE 8:** What are the appropriate final fuel adjustment true-up amounts for the period January 2018 through December 2018?

**FPL:** \$70,653,405 under-recovery. (Deaton)

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2019 through December 2019?

**FPL:** \$128,735,937 over-recovery. (Deaton)

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2020 through December 2020?

**FPL:** \$58,082,532 over-recovery. (Deaton)

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2020 through December 2020?

**FPL:** \$2,519,447,549 excluding prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

### **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) ISSUES**

#### **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.

### **GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 16:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2018 through December 2018 for each investor-owned electric utility subject to the GPIF?

**FPL:** \$8,577,071 reward. (Rote)

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2020 through December 2020 for each investor-owned electric utility subject to the GPIF?

**FPL:**

Plant / Unit	EAF			ANOHR		
	Target	Maximum		Target	Maximum	
	EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
Cape Canaveral 3	83.4	85.9	469	6,615	6,737	2,376
Ft. Myers 2	90.1	92.6	232	7,342	7,455	2,277
Manatee 3	91.3	93.8	158	6,880	7,002	1,264
Port Everglades 5	81.8	84.8	822	6,525	6,695	3,847
Riviera 5	84.7	87.2	446	6,567	6,684	2,389
St. Lucie 1	87.4	90.9	3,728	10,421	10,525	413
St. Lucie 2	85.7	88.7	2,576	10,262	10,355	278
Turkey Point 3	85.7	88.7	2,403	11,228	11,418	661
Turkey Point 4	82.7	85.7	2,250	10,865	11,035	561
West County 1	68.5	71.0	496	7,060	7,218	2,532
West County 2	90.2	92.7	614	6,918	7,064	3,126
West County 3	85.3	88.3	608	6,921	7,084	3,274

(Rote)

#### 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 2020 through December 2020?

**FPL:** \$2,484,500,731 including prior period true-ups, revenue taxes, FPL's portion of Incentive Mechanism gains, and the GPIF reward. (Deaton)

**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 2020 through December 2020?

**FPL:** 1.00072. (Deaton)



**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2020 through December 2020?

**FPL:** FPL proposes that the fuel factors be reduced as of the in-service date of the 2020 Project to reflect the projected jurisdictional fuel savings as of that date. FPL is proposing the following factors:

(a) 2.252 cents/kWh for January 2020 through the day prior to the 2020 Project in-service date (projected to be April 30, 2020);

(b) 2.238 cents/kWh from the 2020 Project in-service date (projected to be May 1, 2020) until the fuel factor is reset by the Commission. (Deaton)

**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?

**FPL:** The appropriate fuel cost recovery line loss multipliers are provided in response to Issue No. 22. (Deaton)

[Statement of Issues and Positions Continue on Next Page]

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

**FPL:**

ESTIMATED FOR THE PERIOD OF: JANUARY 2020 THROUGH APRIL 2020				
GROUPS	RATE SCHEDULE	JANUARY - APRIL		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.252	1.00212	1.925
A	RS-1 all additional kWh	2.252	1.00212	2.925
A	GS-1, SL-2, GSCU-1, WIES-1	2.252	1.00212	2.257
A-1	SL-1, OL-1, PL-1 <sup>(1)</sup>	2.185	1.00212	2.190
B	GSD-1	2.252	1.00207	2.257
C	GSLD-1, CS-1	2.252	1.00157	2.256
D	GSLD-2, CS-2, OS-2, MET	2.252	0.99555	2.242
E	GSLD-3, CS-3	2.252	0.97529	2.196
A	GST-1 On-Peak	2.588	1.00212	2.593
A	GST-1 Off-Peak	2.108	1.00212	2.112
A	RTR-1 On-Peak			0.336
	RTR-1 Off-Peak			(0.145)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	2.588	1.00207	2.593
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.108	1.00207	2.112
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	2.588	1.00157	2.592
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.108	1.00157	2.111
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	2.588	0.99588	2.577
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.108	0.99588	2.099
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	2.588	0.97529	2.524
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.108	0.97529	2.056
F	CILC-1(D), ISST-1(D) On-Peak	2.588	0.99566	2.577
	CILC-1(D), ISST-1(D) Off-Peak	2.108	0.99566	2.099

<sup>(1)</sup>WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: JANUARY 2020 THROUGH APRIL 2020

OFF PEAK: ALL OTHER HOURS

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	3.090	1.00207	3.096
	GSD(T)-1 Off-Peak	2.142	1.00207	2.146
C	GSLD(T)-1 On-Peak	3.090	1.00157	3.095
	GSLD(T)-1 Off-Peak	2.142	1.00157	2.145
D	GSLD(T)-2 On-Peak	3.090	0.99588	3.077
	GSLD(T)-2 Off-Peak	2.142	0.99588	2.133

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm

Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.

See Schedule E-1E, Page 1 of 2.

## ESTIMATED FOR THE PERIOD OF: MAY 2020 THROUGH DECEMBER 2020

GROUPS	RATE SCHEDULE	MAY - DECEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.238	1.00212	1.911
A	RS-1 all additional kWh	2.238	1.00212	2.911
A	GS-1, SL-2, GSCU-1, WIES-1	2.238	1.00212	2.243
A-1	SL-1, OL-1, PL-1 <sup>111</sup>	2.171	1.00212	2.176
B	GSD-1	2.238	1.00207	2.243
C	GSLD-1, CS-1	2.238	1.00157	2.242
D	GSLD-2, CS-2, OS-2, MET	2.238	0.99555	2.228
E	GSLD-3, CS-3	2.238	0.97529	2.183
A	GST-1 On-Peak	2.571	1.00212	2.576
A	GST-1 Off-Peak	2.095	1.00212	2.099
A	RTR-1 On-Peak			0.333
	RTR-1 Off-Peak			(0.144)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On-Peak	2.571	1.00207	2.576
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off-Peak	2.095	1.00207	2.099
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) On-Peak	2.571	1.00157	2.575
C	GSLDT-1, CST-1, HLFT-2 (500-1,999 kW) Off-Peak	2.095	1.00157	2.098
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) On-Peak	2.571	0.99588	2.560
D	GSLDT-2, CST-2, HLFT-3 (2,000+ kW) Off-Peak	2.095	0.99588	2.086
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) On-Peak	2.571	0.97529	2.507
E	GSLDT-3, CST-3, CILC-1(T), ISST-1(T) Off-Peak	2.095	0.97529	2.043
F	CILC-1(D), ISST-1(D) On-Peak	2.571	0.99566	2.560
	CILC-1(D), ISST-1(D) Off-Peak	2.095	0.99566	2.086

<sup>111</sup>WEIGHTED AVERAGE 16% ON-PEAK AND 84% OFF-PEAK

ESTIMATED FOR THE PERIOD OF: MAY 2020 THROUGH DECEMBER 2020

OFF PEAK: ALL OTHER HOURS

GROUPS	RATE SCHEDULE	JUNE - SEPTEMBER		
		Average Factor	Fuel Recovery Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	3.071	1.00207	3.077
	GSD(T)-1 Off-Peak	2.128	1.00207	2.132
C	GSLD(T)-1 On-Peak	3.071	1.00157	3.076
	GSLD(T)-1 Off-Peak	2.128	1.00157	2.131
D	GSLD(T)-2 On-Peak	3.071	0.99588	3.058
	GSLD(T)-2 Off-Peak	2.128	0.99588	2.119

Note: On-Peak Period is defined as June through September, weekdays 3:00pm to 6:00pm  
Off Peak Period is defined as all other hours.

Note: All other months served under the otherwise applicable rate schedule.  
See Schedule E-1E, Page 1 of 2.

(Deaton)

## CAPACITY ISSUES

### COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

**ISSUE 24A:** What amount has FPL included in the capacity cost recovery clause for nuclear cost recovery?

**FPL:** \$0. (Deaton)

**ISSUE 24B:** What is the appropriate true-up adjustment amount associated with the 2017 SoBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2020?

**FPL:** \$6,657,982. (Anderson)

**ISSUE 24C:** What is the appropriate true-up amount associated with the 2018 SoBRA projects approved by Order No. PSC-2018-0028-FOF-EI to be refunded through the capacity clause in 2020? (DEFERRED)

**ISSUE 24D:** 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 2020?

**FPL:** The appropriate Indiantown non-fuel base revenue requirements are \$3,687,779 for 2020. (Deaton)

## GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

**ISSUE 27:** What are the appropriate final capacity cost recovery true-up amounts for the period January 2018 through December 2018?

**FPL:** \$7,161,719 over-recovery. (Deaton)

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2019 through December 2019?

**FPL:** \$9,002,615 over-recovery. (Deaton)

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2020 through December 2020?

**FPL:** \$16,164,334 over-recovery. (Deaton)

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2020 through December 2020?

**FPL:** \$256,597,002 for the period January 2020 through December 2020, excluding prior period true-ups, revenue taxes, and the Indiantown non-fuel base revenue requirement. (Deaton)

**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 2020 through December 2020?

**FPL:** The projected net purchased power capacity cost recovery amount to be recovered over the period January 2020 through December 2020 is \$237,630,783, including prior period true-ups, revenue taxes, the Indiantown non-fuel base revenue requirement, and the 2017 SoBRA true-up credit. (Deaton)

**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 2020 through December 2020?

**FPL:** The appropriate jurisdictional separation factors are:

<b><u>DEMAND</u></b>	<b>Separation Factors</b>
FPL101 - Transmission	0.899387
FPL102 - Non-Stratified Production	0.957922
FPL103INT - Intermediate Strata Production	0.941569
FPL103PEAK - Peaking Strata Production	0.950455
<b><u>ENERGY</u></b>	
FPL201 - Total Sales	0.950640
FPL202 - Non-Stratified Sales	0.958799
FPL203INT - Intermediate Strata Sales	0.942430
FPL203PEAK - Peaking Strata Sales	0.951325
<b><u>GENERAL PLANT</u></b>	
I900 - LABOR	0.969124

(Deaton)

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2020 through December 2020?

**FPL:** The January 2020 through December 2020 capacity cost recovery factors including Indiantown factors are as follows:

RATE SCHEDULE	Total Jan 2020 - Dec 2020 Capacity Recovery Factor			
	Capacity Recovery Factor (\$/KW)	Capacity Recovery Factor (\$/kw h)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1	-	0.00230	-	-
GS1/GST1	-	0.00225	-	-
GSD1/GSDT1/HLFT1	0.75	-	-	-
OS2	-	0.00095	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.85	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.81	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.84	-	-	-
SST1T	-	-	0.10	0.05
SST1D1/SST1D2/SST1D3	-	-	0.10	0.05
CILC D/CILC G	0.87	-	-	-
CILC T	0.84	-	-	-
MET	0.75	-	-	-
OL1/SL1/SL1M/PL1	-	0.00018	-	-
SL2/SL2M/GSCU1	-	0.00153	-	-

(Deaton)

### EFFECTIVE DATE

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

**FPL:** The factors shall be effective for meter readings commencing January 1, 2020. These charges shall continue in effect until modified by subsequent order of this Commission. (Deaton)

**ISSUE 35:** Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding?

**FPL:** Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Deaton)

### MISCELLANEOUS ISSUES

**ISSUE 36:** Should the Joint Motion to Modify Order No. PSC-2012-0425-PAA-EU Regarding Weighted Average Cost of Capital Methodology be approved?



**FPL:** Yes. The proposed modifications to the Weighted Average Cost of Capital calculation methodology approved in Order No. PSC-2012-0425-PAA-EU are necessary in order to comply with the Internal Revenue Code (“IRC”) Treasury Regulation Section §1.167(1)-1(h)(6). This regulation requires public utilities to apply a consistency adjustment and proration formula to compute the depreciation-related Accumulated Deferred Federal Income Tax (“ADFIT”) balance to be included for ratemaking purposes when a forecasted test period is utilized to set rates unless the Limitation Provision is met or exceeded. The Limitation Provision in Treasury Regulation Section §1.167(1)-1(h)(6)(i) states that as long as the amount of depreciation-related ADFIT used in ratemaking is lower than the amount that would have been used under the Consistency Rule, then there is no violation of Normalization. The proposed modifications are in the public interest because the modified methodology will accurately align current costs with cost recovery while enabling compliance to IRC Treasury Regulation Section §1.167(1)-1(h)(6). (Deaton)

**ISSUE 37:** Should this docket be closed?

**FPL:** No. While a separate docket number is assigned to each year for administrative convenience, this is a continuing docket and should remain open. (Deaton)

**5) STIPULATED ISSUES**

**FPL:** None at this time.

**6) PENDING MOTIONS**

**FPL:** None at this time.

**7) PENDING REQUESTS FOR CONFIDENTIALITY**

1. Florida Power & Light Company’s request for confidential classification of information 423 FORMS for the second quarter of 2019, dated July 31, 2019. [DN 06230-2019]
2. Florida Power & Light Company’s request for confidential classification of certain information provided in response to OPC’s 1st request for PODs (No. 1), dated August 26, 2019. [DN 08424-2019]
3. Florida Power & Light Company’s request for confidential classification of certain information contained in capacity payments to non-cogenerator identified in Schedule E12 of Appendix V to the direct testimony Renae B. Deaton, dated September 3, 2019. [DN 08578-2019]

4. Florida Power & Light Company's request for confidential classification of certain information provided in response to Staff's 6th set of interrogatories (No. 50), dated September 19, 2019. [DN 08888-2019]

**8) OBJECTIONS TO WITNESS QUALIFICATIONS AS AN EXPERT**

FPL: None at this time.

**9) STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE**

There are no requirements of the Order Establishing Procedure with which FPL cannot comply.

Respectfully submitted this 1st day of October 2019.

Maria Jose Moncada  
Senior Attorney  
David Lee  
Senior Attorney  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408  
Telephone: (561) 304-5795  
Facsimile: (561) 691-7135

By: s/ Maria Jose Moncada  
Maria Jose Moncada  
Florida Bar No. 0773301

**CERTIFICATE OF SERVICE**  
**Docket No. 20190001-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished

by electronic service on this 1st day of October 2019 to the following:

Suzanne Brownless  
Johanna Nieves  
Division of Legal Services  
**Florida Public Service Commission**  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
sbrownle@psc.state.fl.us  
jnieves@psc.state.fl.us

J. R. Kelly  
Stephanie Morse  
**Office of Public Counsel**  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399  
kelly.jr@leg.state.fl.us  
morse.stephanie@leg.state.fl.us

Michael Barrett  
Division of Accounting and Finance  
**Florida Public Service Commission**  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
mbarrett@psc.state.fl.us

James D. Beasley  
J. Jeffrey Wahlen  
Malcolm N. Means  
Ausley & McMullen  
P.O. Box 391  
Tallahassee, Florida 32302  
jbeasley@ausley.com  
jwahlen@ausley.com  
mmeans@ausley.com  
**Attorneys for Tampa Electric Company**

Dianne M. Triplett  
299 First Avenue North  
St. Petersburg, Florida 33701  
dianne.triplett@duke-energy.com

Paula K. Brown, Manager  
**Tampa Electric Company**  
Regulatory Coordinator  
Post Office Box 111  
Tampa, Florida 33601-0111  
regdept@tecoenergy.com

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

Steven R. Griffin  
Beggs & Lane  
P.O. Box 12950  
Pensacola, FL 32591-2950  
srg@beggslane.com  
**Attorneys for Gulf Power Company**

Beth Keating  
Gunster Law Firm  
215 South Monroe St., Suite 601  
Tallahassee, Florida 32301-1804  
bkeating@gunster.com  
**Attorneys for Florida Public Utilities Corp.**

Mike Cassel  
Director/Regulatory and  
Governmental Affairs  
**Florida Public Utilities Company**  
911 South 8th Street  
Fernandina Beach, Florida 32034  
mcassel@fpuc.com

James W. Brew  
Laura A. Wynn  
Stone Mattheis Xenopoulos & Brew, PC  
1025 Thomas Jefferson Street, NW  
Eighth Floor, West Tower  
Washington, DC 20007-5201  
jbrew@smxblaw.com  
laura.wynn@smxblaw.com  
**Attorneys for PCS Phosphate - White  
Springs**

Russell A. Badders  
Vice President & Associate General Counsel  
**Gulf Power Company**  
One Energy Place  
Pensacola, Florida 32520-0100  
russell.badders@nexteraenergy.com

Robert Scheffel Wright  
John T. LaVia, III  
Gardner, Bist, Wiener, et al  
1300 Thomaswood Drive  
Tallahassee, Florida 32308  
schef@gbwlegal.com  
jlavia@gbwlegal.com  
**Attorneys for Florida Retail Federation**

Jon C. Moyle  
Moyle Law Firm, P.A.  
118 N. Gadsden St.  
Tallahassee, Florida 32301  
jmoyle@moylelaw.com  
**Attorneys for Florida Industrial Power  
Users Group**

By: s/ Maria Jose Moncada  
Maria Jose Moncada  
Florida Bar No. 0773301