

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 20220001-EI  
Filed: October 6, 2022

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**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-2022-0052-PCO-EI, files its Prehearing Statement.

**A. APPEARANCES:**

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**B. WITNESSES AND EXHIBITS:**

FIPUG reserves the right to call witnesses listed by other parties in this docket.

**C. STATEMENT OF BASIC POSITION:**

Only reasonable and prudent costs legally authorized and reviewed for prudence should be recovered through the fuel clause. FIPUG maintains that the respective utilities must satisfy their burden of proof for any and all monies or other relief sought in this proceeding.

The current economic times, characterized by high inflation, increased interest rates, and projections and indicia of a recession, make this a challenging time to customers' electric rates. However, for planning purposes, FIPUG members and other electric utility customers should be provided a full and complete understanding, as soon as possible, how the under-recovery of natural gas fuel costs for calendar year 2022 will be handled in 2023 and the extend of those under-recovered sums.

**D. STATEMENT OF ISSUES AND POSITIONS:**

**I. FUEL ISSUES**

**Duke Energy Florida, LLC.**

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

**FIPUG:** No.

**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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

**ISSUE 1G:** 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?

**FIPUG:** Adopt position of OPC.

## **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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

**ISSUE 2G:** What is the proper methodology for FPL to calculate replacement power costs associated with an unplanned outage?

**FIPUG:** Adopt position of OPC.

**ISSUE 2H:** Were each of the unplanned outages that occurred during 2020 the result of FPL actions or decisions that were prudent? If not, what adjustments should be made?

**FIPUG:** Adopt position of OPC.

**ISSUE 2I:** Were each of the unplanned outages that occurred during 2021 the result of FPL actions or decisions that were prudent? If not, what adjustments should be made?

**FIPUG:** Adopt position of OPC.

**ISSUE 2J:** Were each of the unplanned outages that occurred during 2022 the result of FPL actions or decisions that were prudent? If not, what adjustments should be made?

**FIPUG:** Adopt position of OPC.

### **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?

**FIPUG:** Adopt position of OPC.

**ISSUE 4B:** Should the Commission approve TECO's 2023 Risk Management Plan?

**FIPUG:** Adopt position of OPC.

### **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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

**ISSUE 7:** What are the appropriate final fuel adjustment true-up amounts for the period January 2021 through December 2021?

**FIPUG:** Adopt position of OPC.

**ISSUE 8:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2022 through December 2022?

**FIPUG:** Adopt position of OPC.

**ISSUE 9:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2023 through December 2023?

**FIPUG:** Adopt position of OPC.

**ISSUE 10:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2023 through December 2023?

**FIPUG:** Adopt position of OPC.

## **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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

### **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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

## **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?

**FIPUG:** Adopt position of OPC.

**ISSUE 21B:** What adjustment amounts should the Commission approve to be refunded through the capacity clause associated with the Duette SoBRA III project in Docket No. 20200245-EI?

**FIPUG:** Adopt position of OPC.

**ISSUE 21C:** What DOE Settlement Spent Fuel Claim amount should the Commission approve to be recovered through the capacity clause?

**FIPUG:** Adopt position of OPC.

#### **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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.

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

**FIPUG:** Adopt position of OPC.

### **III. EFFECTIVE DATE**

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

**FIPUG:** Adopt position of OPC.

**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?

**FIPUG:** Adopt position of OPC.



**ISSUE 33:** Should this docket be closed?

**FIPUG:** Adopt position of OPC.

### **CONTESTED ISSUES**

**OPC ISSUE C:** Has FPL imprudently taken, or failed to prudently take, actions or made or failed to prudently make, decisions at or affecting the Turkey Point Units 3 & 4 and St. Lucie Units 1 & 2, such that replacement power costs have been incurred as they affect the fuel factor for 2020, 2021, 2022 and projections for 2023? If so, what adjustments should be made?

**FIPUG:** Adopt position of OPC.

**OPC ISSUE E:** Should the Commission establish a spin-off docket to investigate FPL's nuclear operations and its impact on historical, ongoing, and future fuel costs?

**FIPUG:** Adopt position of OPC.

**OPC ISSUE F:** Has FPL appropriately accounted for any redispatch related to its operation of the North Florida Resilience Connection (NFRC) in its 2022 estimate and 2023 projections of fuel costs? If not, what adjustments, if any, should be made?

**FIPUG:** Adopt position of OPC.

**E. STIPULATED ISSUES:**

None at this time.

**F. PENDING MOTIONS:**

None at this time.

**G. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

None.

**H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

FIPUG objects to a witness being considered an expert witness unless the witness affirmatively states the subject matter area(s) in which he or she claims expertise.

I. **STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING  
PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which the Florida Industrial Power Users Group cannot comply at this time.

/s/ Jon. C. Moyle

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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing was furnished to the following by Electronic Mail, on this 6th day of October, 2022:

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