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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230001-EI

Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 2

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

DATE: Tuesday, June 13, 2023

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
112 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

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

2 CHAIRMAN FAY: All right. Commissioners, next
3 we will be going back to Item No. 2, which will be
4 presented by Mr. Zaslow this morning.

5 MR. ZASLOW: Good morning, Commissioners,
6 Aaron Zaslow with Commission staff.

7 Item No. 2 is staff's recommendation
8 concerning Florida Power & Light's petition for a
9 midcourse correction of its currently approved
10 customer fuel charges. The primary reason for the
11 company's midcourse correction is current year
12 natural gas costs being lower than previously
13 estimated.

14 Staff's recommendation is for the company's
15 fuel recovery factors to be downwardly adjusted as
16 a result of its updated fuel cost projection
17 beginning with the July 2023 billing cycle.

18 Thank you.

19 CHAIRMAN FAY: Great. Mr. Zaslow, thank you
20 for the presentation on that item.

21 Commissioners, I just had two comments on this
22 item, and if -- we might have somebody from the
23 utility here today to answer a comment back on
24 this, but I know that we had the initial shift of
25 fuel costs going the other way, and as markets have

1 levelized it's been beneficial for us. But one
2 component of this I think is the spreading of the
3 majority of allocation of this reduction into the
4 current year, which I think is beneficial, and then
5 allowing some of that reduction to occur in 2024.

6 The other is the recognition that this is now
7 the second reduction within six months under the
8 changes in fuel cost, and so I think, for us, it's
9 a -- a question then is in the following six
10 months, will we continue to see some form of
11 reduction or will it require some sort of market
12 adjustment to see that?

13 And my point to this is I think we have to
14 give serious consideration as to stability as to
15 when these changes are made, and the midcourse
16 correction is one way to do that, but I think we
17 also need to consider in the future maybe how that
18 will operate.

19 So with that, seeing nobody from the utility
20 to comment on that, Commissioners, I will take up a
21 motion on Item No. 2.

22 COMMISSIONER CLARK: Do you want comment
23 first?

24 CHAIRMAN FAY: If you have comments. Oh, I
25 don't know if anybody is here to comment on that.

1 COMMISSIONER CLARK: Mr. Hoffman is taking the
2 opportunity.

3 CHAIRMAN FAY: All right. Mr. Hoffman, come
4 on up.

5 MR. HOFFMAN: Thank you, Mr. Chairman and
6 Commissioners.

7 My name is Ken Hoffman. I am with Florida
8 Power & Light Company, and I am here today to
9 attempt to respond to your questions.

10 So as I understand it, the first question went
11 to the -- the recovery period for the midcourse
12 correction. And what we did there was we spread
13 the recovery -- excuse me, the bill reduction over
14 a 12-month period, the bulk of it this year, but we
15 allowed it to run through next year to sort of
16 offset what had previously -- previously been
17 approved by the Commission of an increase for our
18 storm charges. So we thought, in terms of bill
19 stability, that that was the most sort of stable,
20 balanced approach for our customers.

21 Your second question, I think, went to the
22 fact that this is our second midcourse correction
23 filing, which we have viewed as an opportunity to
24 bring bill reductions to our customers. So we are
25 actually very pleased with the fact that, since we

1 made the filing for the net under-recovery on
2 January 23rd of this year, due to the change in the
3 gas price market, we've had the opportunity to come
4 back to the Commission twice now to -- to bring
5 further bill reductions to our customers. So it's
6 actually something that we are very pleased about,
7 and we are hopeful that the Commission will
8 approve.

9 So I hope that that's responsive to your
10 comments, to your questions. If you have anything
11 else, I will certainly try to answer any other
12 questions that you may have.

13 CHAIRMAN FAY: Yeah, it is. I appreciate
14 that. And I think the tougher question just being
15 one as to what the future holds. And I would
16 imagine the response to that would be, well, it
17 will again on what the markets do and what the --
18 how the economy fluctuates. But I think part of
19 that is just consideration, or maybe hope it is
20 that we would see another reduction sometime in
21 this year, at the end of the year. But I think
22 that would either require fuel prices to stay where
23 they are, or even decline at this point. And once
24 again, I don't think we -- we -- you know, the
25 experts that you have may have better thoughts on

1 that, but I don't think we know where that's going
2 to go.

3 MR. HOFFMAN: Agreed. We seized the
4 opportunity while we had it. You know, we make
5 that run at the beginning of every month, and we
6 seized that opportunity to flow through additional
7 bill reductions while we have it. The market may
8 change in the future, but in the meantime, you
9 know, while -- while, you know, there was a lot of
10 testimony in the fall of last year about sort of
11 the record extreme volatility in the gas market
12 last year.

13 No one can predict what the future may be.
14 But in the meantime, we have sort of been able to
15 pass along these additional bill increases, and the
16 Commission has all the tools that it needs today,
17 including, you know, the ability to do these
18 midcourse corrections to sort of make sure that
19 bills are stable, and that they sort of remain, you
20 know, within the range that -- that the bills ought
21 to be just in terms of whether or not fuel prices
22 go above or beyond that 10-percent level that's
23 called for under your rule.

24 CHAIRMAN FAY: Okay. Great. Thank you.

25 Commissioners, any questions or comments for

1 Mr. Hoffman?

2 Commissioner Clark, you are recognized.

3 COMMISSIONER CLARK: Before making a motion, I
4 thought the Chairman was going to open up the
5 opportunity to debate some sort of a rate
6 stabilization mechanism. It might could be
7 considered at some point, but I will pass and do
8 that later, Mr. Chairman.

9 I will move approval of the item.

10 COMMISSIONER GRAHAM: Second.

11 CHAIRMAN FAY: Okay. With that, we have a
12 motion and a second.

13 All that approve staff recommendation on Item
14 No. 2 say aye.

15 (Chorus of ayes.)

16 CHAIRMAN FAY: Showing none opposed, that item
17 passes unanimously.

18 Thank you, Mr. Hoffman.

19 (Agenda item concluded.)

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CERTIFICATE OF REPORTER


STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, 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
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attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 22nd day of June, 2023.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024