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October 6, 2023,

BY E-PORTAL

Mr. Adam Teitzman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 20230001-EI: Fuel and Purchased Power Cost Recovery Clause with
Generating Performance Incentive Factor**

Dear Mr. Teitzman:

Attached for filing, please find Florida Public Utilities Company's Prehearing Statement.

Thank you for your assistance with this filing. As always, please don't hesitate to let me know if you have any questions whatsoever.

Sincerely,



Beth Keating
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(850) 521-1706

MEK
cc:/(Certificate of Service)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20230001-EI

DATED: October 6, 2023

**FLORIDA PUBLIC UTILITIES COMPANY'S
PREHEARING STATEMENT**

In accordance with the Order Establishing Procedure for this Docket, Order No. PSC-2023-0066-PCO-EI, issued February 3, 2023, Florida Public Utilities Company (“FPUC,” or “Company”) hereby files its Prehearing Statement.

A. APPEARANCES

Beth Keating
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215 South Monroe St., Suite 601
Tallahassee, FL 32301
(850) 521-1706
On behalf of Florida Public Utilities Company

B. WITNESSES AND EXHIBITS

i. All Known Witnesses

<u>Witness</u>	<u>Subject</u>	<u>Issue</u>
Curtis D. Young	Final True Up 2022	7
Curtis D. Young	Estimated/Actual 2023	8
Phuong T. Nguyen	Projection for 2024	3A, 9, 10, 16, 17, 18, 19, 20, 31, 32, 33
P. Mark Cutshaw	Special Projects	9, 10

ii. All Known Exhibits

<u>Witness</u>	<u>Exhibit</u>	<u>Title</u>	<u>Issue</u>
Young	CDY-1	Final True Up Schedules (Schedules A, C1 and E1-B for FPUC's Divisions)	7
Young	CDY-2	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1)	8
Nguyen	PTN-1	Schedules E1, E1A, E2, E7, E8, E10 and Schedule A	9, 10, 16, 17, 18, 19, 20, 31, 32, 33

C. STATEMENT OF BASIC POSITION

FPUC's Statement of Basic Position

FPUC: The Commission should approve Florida Public Utilities Company's final net true-up for the period January through December 2022, the estimated true-up for the period January through December 2023, and the purchase power cost recovery factors for the period January through December 2024, until subsequently revised by the Commission. In approving the under-recovery and calculation of the appropriate factors, the Commission should approve FPUC's proposal to shorten the previously approved recovery period for the 2022 under-recovery to allow recovery of the remainder in 2024, which will still result in reduced cost-recovery factors and avoid additional interest on the deferred amount.

D. FPUC's POSITION ON THE ISSUES

I. FUEL ISSUES

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2024 Risk Management Plan?

FPUC's Position: No position.

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 2024?

FPUC's Position: No position.

ISSUE 1C: What is the impact on this docket, if a decision is issued in Case SC22-94 before January 1, 2024?

FPUC's Position: No position.

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

FPUC's Position: No position.

ISSUE 1E: What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-2023-0191-TRF-EI, to be included in the fuel clause in 2024?

FPUC's Position: No position.

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 2022 through December 2022, and how should that gain to be shared between FPL and customers?

FPUC's Position: No position.

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 2022 through December 2022?

FPUC's Position: No position.

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 2022 through December 2022?

FPUC's Position: No position.

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 2022 through December 2022?

FPUC's Position: No position.

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 2024?

FPUC's Position: No position.

ISSUE 2F: Should the Commission approve FPL's 2024 Risk Management Plan?

FPUC's Position: No position.

ISSUE 2G: Are the 2024 SoBRA units (12 total) proposed by FPL cost effective?

FPUC's Position: No position.

ISSUE 2H: What are the revenue requirements associated with the 2024 SoBRA Project?

FPUC's Position: No position.

ISSUE 2I: What is the appropriate base rate percentage increase for the 2024 SoBRA Project to be effective when all 2024 units are in service, currently projected to be January 31, 2024?

FPUC's Position: No position.

ISSUE 2J: Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2024 SoBRA Project determined to be appropriate in this proceeding?

FPUC's Position: No position.

Florida Public Utilities Company

ISSUE 3A: Should the Commission modify the previously ordered (Order No. PSC-2023-0026-FOF-EI) recovery schedule for FPUC's under-recovery of 2022 fuel costs from three years to two years?

FPUC's Position: Yes. The Company has experienced a substantial decrease in fuel costs, and as a result, recovering the remaining portion of the 2022 under-recovery in 2024, rather than extending into 2025, will still result in lower fuel factors for the Company's customers in 2024 and provide the added benefit of avoiding the additional accumulation of interest.

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 2022 through December 2022, and how should that gain to be shared between TECO and customers?

FPUC's Position: No position.

ISSUE 4B: Should the Commission approve TECO's 2024 Risk Management Plan?

FPUC's Position: No position.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2023 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position.

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2024 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

FPUC's Position: No position.

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2022 through December 2022?

FPUC's Position: The final, end of period true-up amount for 2022 is an under-recovery of \$9,648,946.

ISSUE 8: What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2023 through December 2023?

FPUC's Position: The Company projects a consolidated under-recovery of under-recovery of \$1,987,573.

ISSUE 9: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2024 through December 2024?

FPUC's Position: If the Commission approves the Company's request to collect the total remaining 2022 true up amount in 2024, rather than spreading it out over the next two years, the total true-up amount to be collected in 2024 is \$11,636,519.

ISSUE 10: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2024 through December 2024?

FPUC's Position: The appropriate projected total fuel and purchased power cost recovery amount for the period January 2024 through December 2024 is \$53,711,392. (*Nguyen, Cutshaw*)

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.

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 2022 through December 2022 for each investor-owned electric utility subject to the GPIF?

FPUC's Position: No position.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2024 through December 2024 for each investor-owned electric utility subject to the GPIF?

FPUC's Position: No position.

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 2024 through December 2024?

FPUC's Position: 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 2024 through December 2024 is \$65,347,911, which includes prior period true-ups. *(Nguyen)*

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 2024 through December 2024?

FPUC's Position: The appropriate tax revenue factor is 1.00072. *(Nguyen)*

ISSUE 18: What are the appropriate levelized fuel cost recovery factors for the period January 2024 through December 2024?

FPUC's Position: The appropriate factor is 7.807¢ per kWh. *(Nguyen)*

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?

FPUC's Position: The appropriate line loss multiplier is 1.0000. *(Nguyen)*

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

FPUC's Position: The appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2024 through December 2024 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are as follows:

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.10588
GS	\$0.10637
GSD	\$0.10035
GSLD	\$0.09772
LS	\$0.08180
<u>Step rate for RS</u>	
RS Sales	\$0.10588
RS with less than 1,000 kWh/month	\$0.10259
RS with more than 1,000 kWh/month	\$0.11509

Consistent with the fuel projections for the 2024 period, the appropriate adjusted Time of Use (TOU) and Interruptible rates for the Northwest Division for 2024 period are:

Time of Use/Interruptible

<i>Rate Schedule</i>	<i>Adjustment On Peak</i>	<i>Adjustment Off Peak</i>
RS	\$0.18569	\$0.06359
GS	\$0.14637	\$0.05637
GSD	\$0.14035	\$0.06785
GSLD	\$0.15772	\$0.06772
Interruptible	\$0.08272	\$0.09772

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 for 2024?

FPUC's Position: No position.

ISSUE 21B: What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Sandy Creek?

FPUC's Position: No position.

ISSUE 21C: What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Santa Fe?

FPUC's Position: No position.

ISSUE 21D: What adjustment amount should the Commission approve to be refunded through the capacity clause associated with the Solar Base Rate Adjustment true-up for Plant Twin Rivers?

FPUC's Position: No position.

Florida Power & Light Company

ISSUE 22A: Should the Commission approve a \$7.92 million refund related to the incremental impact of the Inflation Reduction Act for years 2022 and 2023 due to the application of the Tax Provision contained in FPL'S current Rate Settlement Agreement?

FPUC's Position: No position.

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 2022 through December 2022?

FPUC's Position: No position.

ISSUE 25: What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2023 through December 2023?

FPUC's Position: No position.

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2024 through December 2024?

FPUC's Position: No position.

ISSUE 27: What are the appropriate projected total capacity cost recovery amounts for the period January 2024 through December 2024?

FPUC's Position: No position.

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 2024 through December 2024?

FPUC's Position: No position.

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 2024 through December 2024?

FPUC's Position: No position.

ISSUE 30: What are the appropriate capacity cost recovery factors for the period January 2024 through December 2024?

FPUC's Position: No position.

III. EFFECTIVE DATE

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

FPUC's Position: The effective date for FPUC's cost recovery factors should be the first billing cycle for January 1, 2024, which could include some consumption from the prior month. Thereafter, customers should be billed the approved factors for a full 12 months, unless the factors are otherwise modified by the Commission. *(Nguyen)*

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?

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

IV. MISCELLANEOUS ISSUES

ISSUE 33: Should this docket be closed?

FPUC's Position: This is a continuing docket and should remain open.

V. OTHER

e. Stipulated Issues

While not a party to stipulations at this time, FPUC believes that it should be possible to reach a stipulation on each of the issues as they pertain to FPUC.

f. Pending Motions

FPUC has no pending motions at this time.

g. Pending Confidentiality Claims or Requests

FPUC has no pending requests for confidential classification.

h. Objections to Witness Qualifications as an Expert

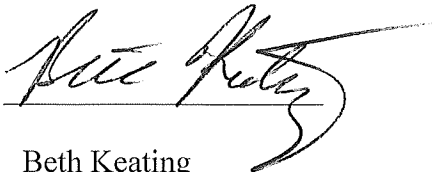
FPUC has no objections to any witnesses' qualifications at this time.

i. Compliance with Order No. PSC-2023-0066-PCO-EI

FPUC has complied with all requirements of the Order Establishing Procedure entered in this docket, as well as the subsequent orders issued modifying that Order.

RESPECTFULLY SUBMITTED this 6th day of October, 2023.

BY: _____



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Tallahassee, FL 32301
(850) 521-1706

Attorneys for Florida Public Utilities Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 6th day of October, 2023:

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