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October 7, 2024

**BY E-PORTAL**

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

**Re: Docket No. 20240001-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  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(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. 20240001-EI

DATED: October 7, 2024

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

In accordance with the Order Establishing Procedure for this Docket, Order No. PSC-2024-0027-PCO-EI, issued February 6, 2024, Florida Public Utilities Company (“FPUC,” or “Company”) hereby files its Prehearing Statement.

**A. APPEARANCES**

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
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

<b><u>Witness</u></b>	<b><u>Subject</u></b>	<b><u>Issue</u></b>
Brittnee Baker*	Final True Up 2023	7
Brittnee Baker	Estimated/Actual 2023	8
Brittnee Baker	Projection for 2024	9, 10, 16, 17, 18, 19, 20, 31, 32, 33
P. Mar <sup>1</sup> k Cutshaw	Special Projects	9, 10

<sup>1</sup>\*Adopting the Testimony of Phuong T. Nguyen.

ii. All Known Exhibits

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

\*Adopted by Witness Brittnee Baker by Letter of August 2, 2024.

**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 2023, the estimated true-up for the period January through December 2024, and the purchase power cost recovery factors for the period January through December 2025, until subsequently revised by the Commission.

**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 2025 Risk Management Plan?

FPUC's Position: No position.

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<sup>2</sup> Revised September 5, 2024

**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 2025?

FPUC's Position: No position.

**ISSUE 1C:** 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 2025?

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-2021-0446A-S-EI that FPL may recover for the period January 2023 through December 2023, and how should that gain to be shared between FPL and its 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-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2023 through December 2023?

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-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

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-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

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 2025?

FPUC's Position: No position.

**ISSUE 2F:** Should the Commission approve FPL's 2025 Risk Management Plan?

FPUC's Position: No position.

**ISSUE 2G:** Are the 2025 SoBRA units proposed by FPL cost effective?

FPUC's Position: No position.

**ISSUE 2H:** What are the revenue requirements associated with the 2025 SoBRA Project?

FPUC's Position: No position.

**ISSUE 2I:** What is the appropriate base rate percentage increase for the 2025 SoBRA Project, to be effective when all 2025 units are in service?

FPUC's Position: No position.

**ISSUE 2J:** Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increases for the 2025 SoBRA project determined to be appropriate in this proceeding?

FPUC's Position: No position.

**ISSUE 2K:** Were FPL's actions related to the forced outage event(s) that occurred at St. Lucie Nuclear Unit No. 1 in July 2024 prudent? If not, what actions should the Commission take?

FPUC's Position: No position.

**ISSUE 2L:** How much replacement power cost did FPL incur due to the forced outage event(s) that occurred at St. Lucie Nuclear Unit No. 1 in July 2024?

FPUC's Position: No position.

**ISSUE 2M:** Were FPL's actions related to the forced outage event(s) that occurred at St. Lucie Nuclear Unit No. 2 in May/June 2024 prudent? If not, what actions should the Commission take?

FPUC's Position: No position.

**ISSUE 2N:** How much replacement power cost did FPL incur due to the forced outage event(s) that occurred at St. Lucie Nuclear Unit No. 2 in July 2024?

FPUC's Position: No position.

### **Florida Public Utilities Company**

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time.

### **Tampa Electric Company**

**ISSUE 4A:** What was the total gain under TECO's Optimization Mechanism approved by Order No. PSC-2021-0423-S-EI that TECO may recover for the period January 2023 through December 2023, and how should that gain to be shared between TECO and its customers?

FPUC's Position: No position.

**ISSUE 4B:** Should the Commission approve TECO's 2025 Risk Management Plan?

FPUC's Position: No position.

## **GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 5:** What are the appropriate actual 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 6:** What are the appropriate estimated benchmark levels for calendar year 2025 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 2023 through December 2023?

FPUC's Position: The final, end of period true-up amount for 2023 is an over-recovery of \$1,633,921.

**ISSUE 8:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2024 through December 2024?

FPUC's Position: The Company projects a consolidated over-recovery of \$3,060,756.

**ISSUE 9:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2025 through December 2025?

FPUC's Position: The total true-up amount to be refunded in 2025 is \$4,694,677.

**ISSUE 10:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2025 through December 2025?

FPUC's Position: The appropriate projected total fuel and purchased power cost recovery amount for the period January 2025 through December 2025 is \$52,050,622. (*Baker, 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 2023 through December 2023 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 2025 through December 2025 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 2025 through December 2025?

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 2025 through December 2025 is \$47,355,945 which includes prior period true-ups. *(Baker)*



**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 2025 through December 2025?

FPUC's Position: The appropriate tax revenue factor is 1.000848. *(Baker)*

**ISSUE 18:** What are the appropriate levelized fuel cost recovery factors for the period January 2025 through December 2025?

FPUC's Position: The appropriate factor is 5.550¢ per kWh. *(Baker)*

**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. *(Baker)*

**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 2025 through December 2025 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are as follows:

<i>Rate Schedule</i>	<i>Adjustment</i>
RS	\$0.07849
GS	\$0.07890
GSD	\$0.07392
GSLD	\$0.07176
LS	\$0.05872
<u>Step rate for RS</u>	
RS Sales	\$0.07849
RS with less than 1,000 kWh/month	\$0.07505
RS with more than 1,000 kWh/month	\$0.08755

## **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 2025?

FPUC's Position: No position.

#### **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.

#### **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 2023 through December 2023?

FPUC's Position: No position.

**ISSUE 25:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2024 through December 2024?

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 2025 through December 2025?

FPUC's Position: No position.

**ISSUE 27:** What are the appropriate projected total capacity cost recovery amounts for the period January 2025 through December 2025?

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 2025 through December 2025?

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 2025 through December 2025?

FPUC's Position: No position.

**ISSUE 30:** What are the appropriate capacity cost recovery factors for the period January 2025 through December 2025?

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, 2025, 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. *(Baker)*

**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. *(Baker)*

**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.

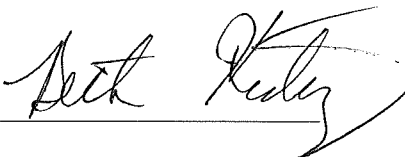
h. Objections to Witness Qualifications as an Expert

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

i. Compliance with Order No. PSC-2024-0027-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 7th day of October, 2024.

BY: 

Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
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 7th day of October, 2024:

<p>Suzanne Brownless  Ryan Sandy  Florida Public Service Commission  2540 Shumard Oak Boulevard  Tallahassee, FL 32399-0850  <a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a>  <a href="mailto:rsandy@psc.state.fl.us">rsandy@psc.state.fl.us</a></p>	<p>J. Jeffry Wahlen/Malcolm Means/Virginia Ponder  Ausley Law Firm  Post Office Box 391  Tallahassee, FL 32302  <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a>  <a href="mailto:mmeans@ausley.com">mmeans@ausley.com</a>  <a href="mailto:vponder@ausley.com">vponder@ausley.com</a></p>
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<p>Mike Cassel Florida Public Utilities Company 208 Wildlight Ave. Yulee, FL 32097 <a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a></p>	<p>Matthew Bernier Robert Pickels Stephanie Cuello Duke Energy 106 East College Avenue, Suite 800 Tallahassee, FL 32301 <a href="mailto:Matthew.Bernier@duke-energy.com">Matthew.Bernier@duke-energy.com</a> <a href="mailto:Robert.Pickels@duke-energy.com">Robert.Pickels@duke-energy.com</a> <a href="mailto:Stephanie.Cuello@duke-energy.com">Stephanie.Cuello@duke-energy.com</a></p>
<p>William C. Garner, Esq. Law Office of William C. Garner, PLLC 3425 Bannerman Road Unit 105, No. 414 Tallahassee, Florida 32312 Telephone: (850)329-5478 Mobile: (850)320-1701 FAX: (850) 792-6011 <a href="mailto:bgarner@wcglawoffice.com">bgarner@wcglawoffice.com</a></p>	<p>Dianne M. Triplett Duke Energy 299 First Avenue North St. Petersburg, FL 33701 <a href="mailto:Dianne.Triplett@duke-energy.com">Dianne.Triplett@duke-energy.com</a></p>

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