

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20180001-EI  
ORDER NO. PSC-2018-0520-PHO-EI  
ISSUED: November 1, 2018

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on October 23, in Tallahassee, Florida, before Commissioner Gary F. Clark, as Prehearing Officer.

APPEARANCES:

MATTHEW BERNIER, ESQUIRE, 106 East College Avenue, Tallahassee, Florida 32301-7740; and DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St. Petersburg, Florida 33701  
On behalf of Duke Energy Florida, LLC (DEF)

MARIA J. MONCADA, WILLIAM P. COX and JOEL BAKER, ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420  
On behalf of Florida Power & Light Company (FPL)

BETH KEATING, ESQUIRE, Gunster, Yoakley & Stewart, P.A., 215 South Monroe St., Suite 601, Tallahassee, Florida 32301  
On behalf of Florida Public Utilities Company (FPUC)

JEFFREY A. STONE, ESQUIRE, One Energy Place, Pensacola, Florida 32520-0780; and RUSSELL A. BADDERS and STEVEN R. GRIFFIN, ESQUIRES, Beggs & Lane, Post Office Box 12950, Pensacola, Florida 32591-2950  
On behalf of Gulf Power Company (Gulf)

JAMES D. BEASLEY and J. JEFFRY WAHLEN, ESQUIRES, Ausley McMullen, Post Office Box 391, Tallahassee, Florida 32302  
On behalf of Tampa Electric Company (TECO)

J.R. KELLY, CHARLES REHWINKEL and PATRICIA A. CHRISTENSEN, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida (OPC)

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, PA, The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301  
On behalf of the Florida Industrial Power Users Group (FIPUG)

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES,  
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A., 1300 Thomaswood  
Drive, Tallahassee, Florida 32308

On behalf of the Florida Retail Federation (FRF)

JAMES W. BREW and LAURA A. WYNN, ESQUIRES, Stone Mattheis  
Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor, West  
Tower, Washington, DC 20007

On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –  
White Springs (PCS Phosphate)

SUZANNE BROWNLESS and JOHANA NIEVES, ESQUIRES, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850

On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850

Advisor to the Florida Public Service Commission

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service  
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel

## **PREHEARING ORDER**

### **I. CASE BACKGROUND**

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing will be held by the Florida Public Service Commission (Commission) on November 5-7, 2018. The purpose of this docket is to review and approve purchased wholesale electric power charges, electric generation facilities' fuel and fuel related costs, and incentives associated with the efficient operation of generation facilities which are passed through to ratepayers through the fuel adjustment factor. The Commission will address those issues listed in this prehearing order. The Commission has the option to render a bench decision with agreement of the parties on any or all of the issues listed below.

### **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

### **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

### **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed

with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

**V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

**VI. ORDER OF WITNESSES**

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Jeffrey Swartz	DEF	1B
*Christopher A. Menendez	DEF	1B, 6-11, 18-23A, 27-36
*James McClay	DEF	1A
*Matthew J. Jones	DEF	16, 17

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
*R. B. Deaton	FPL	2L, 6-11, 18-22, 24A, 24B, 24C, 27-33, 34-36
*G. J. Yupp	FPL	2A, 2B, 2C-2K, 8-11, 18
*M. Kiley	FPL	8-11, 18
*C. R. Rote	FPL	16, 17
*S. Castaneda	FPL	2Q
*W. F. Brannen	FPL	2P
*J. E. Enjamio	FPL	2P
*T. Cohen	FPL	2R, 2S, 2T
*Curtis D. Young	FPUC	8
*Michael Cassel	FPUC	3A, 9, 10, 11, 18, 19-22, 34, 35
*P. Mark Cutshaw	FPUC	10, 11
*C. S. Boyett	Gulf	4A, 6-11, 18-22, 27-36
*C. L. Nicholson	Gulf	16, 17
*Penelope A. Rusk	TECO	6, 7, 8, 9, 10, 11, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, 34, 35
*Brian S. Buckley	TECO	15A, 15B, 16, 17, 18
*Benjamin F. Smith	TECO	18, 31
*Brent C. Caldwell	TECO	5A, 18
*Simon O. Ojada	Staff	1A

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
*Debra N. Dobiac	Staff	2A
*Donna D. Brown	Staff	4A
*Intesar Terkawi	Staff	5A

\* These witnesses have been stipulated to by the parties.

## **VII. BASIC POSITIONS**

**DEF:** Not applicable. DEF's positions on specific issues are listed below.

**FPL:** FPL's 2019 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors, including its prior period true-ups, are reasonable and should be approved.

FPL's proposed 2019 Solar Project should be approved. The costs of the 2019 Solar Project are reasonable, and the Project is cost effective. The associated solar base rate adjustment ("SoBRA") factor of 0.795% and revenue requirement of \$51,685,454 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 2019 SoBRA projects also were calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI and should be approved.

FPL's proposed generation base rate adjustment ("GBRA") factor of 3.040% for the Okeechobee Clean Energy Center ("OCEC") was calculated in accordance with the terms approved in Order No. PSC-16-0560-AS-EI and should be approved.

**FPUC:** The Commission should approve Florida Public Utilities Company's final net true-up for the period January through December 2017, the estimated true-up for the period January through December, 2018, and the purchase power cost recovery factor for the period January through December, 2019. The Commission should also find that the Company has properly refunded \$221,415 to its customers through the Fuel Clause in accordance with Order No. PSC-2018-0028-FOF-EI.

**Gulf:** It is the basic position of Gulf Power Company that the fuel and capacity cost recovery factors proposed by the Company present the best estimate of Gulf's fuel and capacity expense for the period January 2019 through December 2019

including the true-up calculations, GPIF and other adjustments allowed by the Commission.

**TECO:** The Commission should approve Tampa Electric's calculation of its fuel adjustment, capacity cost recovery and GPIF true-up and projection calculations, including the proposed fuel adjustment factor of 2.715 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage; the company's proposed capacity factor for the period January through December 2019; a net GPIF penalty of \$2,261,019 for performance during 2017 and adjustments to correct 2014 through 2016 targets and results; adjusted 2017 and 2018 targets to reflect the impact of the error correction of the prior periods; and the company's proposed GPIF targets and ranges for 2019.

**OPC:** No position at this time.

**FIPUG:** 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.

**FRF:** The utilities are only allowed to recover reasonable and prudent costs that are fully authorized by Florida Statutes and Commission orders (and rules, if applicable) through their rates, including Fuel Cost Recovery and Capacity Cost Recovery charges. The utilities bear the burden of proof to establish any right to cost recovery pursuant to their Fuel Cost and Capacity Cost Recovery charges.

**PCS**

**Phosphate:** Only costs prudently incurred and legally authorized should be recovered through the fuel clause. Florida electric utilities, including in particular Duke Energy Florida, Inc. ("DEF"), must satisfy the burden of proving the reasonableness of any expenditures for which recovery or other relief is sought in this proceeding.

PCS Phosphate is a signatory to the 2017 Second Revised and Restated Settlement Agreement, approved by the Commission in Docket No. 20170183, *Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement* in Order No. PSC-2017-0451-AS-EU on November 20, 2017. That agreement contains provisions that pertain to prior period fuel cost under-recoveries that are included in DEF's filing in this docket. PCS Phosphate supports the recovery of prudently incurred Duke Energy Florida fuel costs that are consistent with that rate settlement agreement.

**Staff:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

**VIII. ISSUES AND POSITIONS**

**I. FUEL ISSUES**

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**Duke Energy Florida, LLC.**

**ISSUE 1A:** Should the Commission approve as prudent DEF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in DEF's April 2018 and August 2018 hedging reports?

**POSITIONS:**

**DEF:** Yes, the Commission should approve DEF's actions to mitigate fuel price volatility because those activities were taken pursuant to, and were consistent with, previously approved risk management plans. Pursuant to the 2017 RRSSA, DEF has agreed not to enter into any additional hedges during the term of the Agreement, however, the hedges at issue in this docket were entered into prior to the hedging moratorium. Over the period of August 2017 through July 2018, DEF's hedging activities resulted in a cost of approximately \$24.9 M. As indicated in Tampa Electric's Motion to Close Docket No. 20170057-EI, DEF supported the Motion and believes that docket can be closed. (McClay)

**FPL:** No position.

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** No position.

**FRF:** No. DEF's earlier hedging contracts, the costs of which have resulted in currently reported costs to customers of approximately \$4.7 million, as reported in DEF's August 2018 hedging report, were not and are not prudent.

**PCS**

**Phosphate:** Agree with OPC.

**Staff:** Staff has no position at this time.



**ISSUE 1B:** Has DEF made appropriate adjustments, if any are needed, to account for replacement costs associated with the February 2017 forced outage at the Bartow plant? If appropriate adjustments are needed and have not been made, what adjustments(s) should be made?

**POSITIONS:**

**DEF:** No downward adjustments were needed, as DEF's actions related to the Bartow outage were prudent. DEF included the replacement power costs from the Bartow outage in the 2017 Final True-Up balance, filed on March 2, 2018, and the proposed 2019 fuel factors include this balance. (Swartz, Menendez)

**FPL:** No position.

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No. DEF has not demonstrated that the replacement costs for the Bartow outage were prudently incurred or that the company was prudent in the actions and / or inactions that led to the outage.

**FIPUG:** Agree with OPC.

**FRF:** No. DEF has not demonstrated that the replacement costs for the Bartow outage were prudently incurred or that the company was prudent in the actions or failures to act that led to the outage.

**PCS**

**Phosphate:** Agree with OPC.

**Staff:** Staff has no position at this time.

**Florida Power & Light Company**

**ISSUE 2A:** Should the Commission approve as prudent FPL's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in FPL's April 2018 and August 2018 hedging reports?

**POSITIONS:**

**DEF:** No position.

**FPL:** Yes, the Commission should approve FPL's actions to mitigate fuel price volatility because those activities were taken pursuant to, and were consistent with, previously approved risk management plans. Pursuant to Paragraph 16 of FPL's settlement agreement approved in Order No. PSC-16-0560-AS-EI dated December 15, 2016, FPL's fuel hedging program is under a moratorium. FPL has agreed not to enter into any additional hedges during the terms of the Agreement. However, the hedges at issue in this docket were entered prior to the hedging moratorium. FPL's hedging activities for the period January 1, 2017 through December 31, 2017 as reported in April 2018 in Docket No. 20180001-EI resulted in savings of \$37,833,753. FPL had no hedging activity to report for 2018 in the August 2018 hedging report. Upon review of these filings, FPL has complied with its Risk Management Plan as approved by this Commission and, therefore, its actions are found to be reasonable and prudent. As indicated in Tampa Electric's Motion to Close Docket No. 20170057-EI, FPL supported the Motion and believes that docket can be closed. (Yupp)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** No position.

**FRF:** Not an issue. FPL had no hedging activity for the current period.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2B:** **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 2017 through December 2017, and how should that gain to be shared between FPL and customers?**

*Proposed stipulation – see Section X.*

**ISSUE 2C:** 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 2017 through December 2017?

*Proposed stipulation – see Section X.*

**ISSUE 2D:** 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 2017 through December 2017?

*Proposed stipulation – see Section X.*

**ISSUE 2E:** 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 2017 through December 2017?

*Proposed stipulation – see Section X.*

**ISSUE 2F:** What is the appropriate amount of actual/estimated 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?

*Proposed stipulation – see Section X.*

**ISSUE 2G:** What is the appropriate amount of actual/estimated 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?

*Proposed stipulation – see Section X.*

**ISSUE 2H:** What is the appropriate amount of actual/estimated 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?

*Proposed stipulation – see Section X.*

**ISSUE 2I:** What is the appropriate amount of projected 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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 2J:** What is the appropriate amount of projected 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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 2K:** What is the appropriate amount of projected 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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 2L:** Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of the St. John’s River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

*Proposed stipulation – see Section X.*

**ISSUE 2M:** 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?

**POSITIONS:**

**DEF:** No position.

**FPL:** The total costs of the 2017 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2017 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2017 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Cohen, Castaneda)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** As the SoBRA projects are neither cost effective nor needed, no new rates should be recovered.

**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2N:** **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?**

**POSITIONS:**

**DEF:** No position.

**FPL:** The total costs of the 2018 SoBRA Project are not yet final. The Company anticipates that final costs will be known by the third quarter of 2019. FPL expects that final costs for the 2018 Project will be less than the estimate used to develop the revenue requirement and SoBRA Factor for the 2018 Project. If that occurs, a one-time true-up adjustment will be credited to customers through the Capacity Cost Recovery Clause in accordance with Section 10(g) of FPL's 2016 Stipulation and Settlement Agreement, approved in Order No. PSC-16-0560-AS-

EI. FPL will provide the appropriate revised SoBRA factor once the final costs are known. (Brannen, Cohen, Castaneda)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** As the SoBRA projects are neither cost effective nor needed, no new rates should be recovered.

**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2O:** **Should the Commission approve revised tariffs for FPL reflecting the revised SoBRA factors for the 2017 and 2018 projects determined to be appropriate in this proceeding, effective January 1, 2019?**

*Proposed stipulation – see Section X.*

**ISSUE 2P:** **Are the 2019 SoBRA projects (Miami-Dade, Interstate, Pioneer Trail, Sunshine Gateway) proposed by FPL cost effective?**

**POSITIONS:**

**DEF:** No position.

**FPL:** Yes. The 2019 SoBRA projects are projected to result in \$40 million (CPVRR) of customer savings. (Enjamio, Brannen)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** No.

**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2Q:** What are the revenue requirements associated with the 2019 SoBRA projects?

**POSITIONS:**

**DEF:** No position.

**FPL:** \$ 51,685,454. (Castaneda)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** As the SoBRA projects are neither cost effective nor needed, no new rates should be recovered.

**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2R:** What is the appropriate base rate percentage increase for the 2019 SoBRA projects to be effective when all 2019 projects are in service, currently projected to be March 1, 2019?

**POSITIONS:**

**DEF:** No position.

**FPL:** 0.795%. (Cohen)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** As the SoBRA projects are neither cost effective nor needed, no new rates should be recovered.

**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2S:** **Should the Commission approve revised tariffs for FPL reflecting the base rate percentage increase for the 2019 SoBRA projects determined to be appropriate in this proceeding?**

**POSITIONS:**

**DEF:** No position.

**FPL:** Yes. (Cohen)

**FPUC:** No position.

**Gulf:** No position.

**TECO:** No position.

**OPC:** No position.

**FIPUG:** No.



**FRF:** No position.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**ISSUE 2T:** Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 3.040 percent for the Okeechobee Clean Energy Center expected to go in-service on June 1, 2019?

*Proposed stipulation – see Section X.*

**Florida Public Utilities Company**

**ISSUE 3A:** Has FPUC properly refunded \$221,415 to customers through the Fuel Clause in accordance with Order No. PSC-2018-0028-FOF-EI?

*Proposed stipulation – see Section X.*

**Gulf Power Company**

**ISSUE 4A:** Should the Commission approve as prudent Gulf's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in Gulf's April 2018 and August 2018 hedging reports?

**POSITIONS:**

**DEF:** No position.

**FPL:** No position.

**FPUC:** No position

**Gulf:** Yes, the Commission should approve Gulf's actions to mitigate fuel price volatility because those activities were taken pursuant to, and were consistent with, previously approved risk management plans. Pursuant to the 2017 Stipulation and Settlement Agreement, Gulf has agreed not to enter into any additional hedges during the terms of the Agreement, however, the hedges at issue in this docket were entered prior to the hedging moratorium. Gulf's hedging activities for the period August 1, 2017 through July 31, 2018 are reported in April 2018 and August 2018 filings in Docket No. 20180001-EI and resulted in hedging net expense of \$20,129,290. Upon review of these filings, Gulf has

complied with its Risk Management Plan as approved by this Commission and, therefore, its actions are found to be reasonable and prudent. (Boyett)

**TECO:** No position.

**OPC:** No position.

**FIPUG:** No position.

**FRF:** No. Gulf's earlier hedging contracts, the costs of which have resulted in current-period costs to customers of approximately \$8.7 million, as reported in Gulf's August 2018 hedging report, were not and are not prudent.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

**Tampa Electric Company**

**ISSUE 5A:** Should the Commission approve as prudent TECO's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in TECO's April 2018 and August 2018 hedging reports?

**POSITIONS:**

**DEF:** No position.

**FPL:** No position.

**FPUC:** No position.

**Gulf:** No position.

**TECO:** Yes, the Commission should approve Tampa Electric's actions to mitigate fuel price volatility because those activities were taken pursuant to, and were consistent with, previously approved risk management plans. Pursuant to the 2017 Amended and Restated Stipulation and Settlement Agreement, Tampa Electric has agreed not to enter into any additional hedges during the term of the Agreement, however, the hedges at issue in this docket were entered prior to the hedging moratorium. Over the period of August 2017 through July 2018, Tampa Electric's hedging activities resulted in a cost of approximately \$0.58 million. Upon review of these filings, Tampa Electric has complied with its Risk Management Plan as approved by this Commission and, therefore, its actions are found to be reasonable and prudent. As indicated in Tampa Electric's unopposed

Motion to Close Docket No. 20170057-EI, the generic hedging docket, Tampa Electric believes that docket should be closed. (Witness: Caldwell)

**OPC:** No position.

**FIPUG:** No position.

**FRF:** No. TECO's earlier hedging contracts, the costs of which have apparently resulted in current-period costs to customers of approximately \$338,000, as reported in Tampa Electric's August 2018 hedging report, were not and are not prudent.

**PCS**

**Phosphate:** No position.

**Staff:** Staff has no position at this time.

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

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

*Proposed stipulation – see Section X.*

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

*Proposed stipulation – see Section X.*

**ISSUE 8:** What are the appropriate final fuel adjustment true-up amounts for the period January 2017 through December 2017?

*Proposed stipulation for FPL, FPUC, Gulf and TECO – see Section X.*

#### **POSITION:**

The appropriate final fuel adjustment true-up amounts for the period January 2017 through December 2017 are as follows:

DEF: \$16,096,208, under-recovery, as reflected on Line 12 of the Summary of Actual True-Up Amount Schedule (Exhibit CAM-1T, Sheet 1 of 6).

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2018 through December 2018?

*Proposed stipulation – see Section X.*

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 to December 2019?

*Proposed stipulation for FPL, FPUC, Gulf and TECO – see Section X.*

**POSITION:**

The appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 through December 2019 are as follows:

DEF: \$148,450,915, to be collected (under-recovery), as reflected on Line 13 of Schedule E1-B (Exhibit CAM-3, Part 2, Page 2 of 2).

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019?

*Proposed stipulation – see Section X.*

## **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR (GPIF) 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 12A, 12B, 12C, 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 13A, 13B, 13C, and so forth, as appropriate.

### **Gulf Power Company**

No company-specific GPIF issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 14A, 14B, 14C, and so forth, as appropriate.

### **Tampa Electric Company**

**ISSUE 15A:** What adjustments, if any, should be made to correct Tampa Electric's calculations of its GPIF rewards or penalties for the years 2014, 2015, and 2016?

*Proposed stipulation – see Section X.*

**ISSUE 15B:** Should the Commission approve Tampa Electric's proposed corrections to its GPIF 2017 and 2018 targets?

*Proposed stipulation – see Section X.*

### **GENERIC GPIF ISSUES**

**ISSUE 16:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2017 through December 2017 for each investor-owned electric utility subject to the GPIF?

*Proposed stipulation – see Section X.*

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF?

*Proposed stipulation – see Section X.*

### **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 2019 through December 2019?

*Proposed stipulation for FPL, FPUC, Gulf and TECO - see Section X.*

**POSITION:**

The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019 are as follows:

DEF: \$1,559,686,958, as reflected on Line 27 of Schedule E1 (Exhibit CAM-3, Part 2, Page 1 of 1).

:

**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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2019 through December 2019?

*Proposed stipulation – for FPL, FPUC, Gulf and TECO - see Section X.*

**POSITION:**

The appropriate levelized fuel cost recovery factors for the period January 2019 through December 2019 are as follows:

DEF: The appropriate levelized factor is 3.969 cents per kWh (adjusted for jurisdictional losses), as reflected on Line 6, Schedule E1-D (Exhibit CAM-3, Part 2, Page 1 of 1).

**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?

*Proposed stipulation – see Section X.*

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

*Proposed stipulation – for FPL, FPUC, Gulf and TECO - see Section X.*

**POSITION:**

The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Tables 22-2 through 22-13 below:

DEF: DEF’s appropriate fuel cost recovery factors for each rate class/delivery voltage level class, adjusted for line losses, are as provided below. In recognition of the decreasing spread between on-peak and off-peak time of use fuel cost factors, DEF will evaluate, what, if any adjustments to the calculation of on- and off-peak time of use fuel cost factors are appropriate. DEF will provide its findings in Docket No. 20190001-EI.

Fuel Cost Factors (cents/kWh)						
					Time of Use	
Group	Delivery Voltage Level	First Tier Factor	Second Tier Factors	Levelized Factors	On-Peak	Off-Peak
A	Transmission	--	--	3.895	4.857	3.470
B	Distribution Primary	--	--	3.934	4.906	3.505
C	Distribution Secondary	3.698	4.698	3.974	4.956	3.541
D	Lighting Secondary	--	--	3.805	--	--

**II. CAPACITY ISSUES**

**COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

**Duke Energy Florida, LLC.**

**ISSUE 23A: What amount has DEF included in the capacity cost recovery clause for nuclear cost recovery?**

*Proposed stipulation – see Section X.*

**Florida Power & Light Company**

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

*Proposed stipulation – see Section X.*

**ISSUE 24B:** Has FPL properly reflected in the capacity cost recovery clause the effects of the St. John's River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

*Proposed stipulation – see Section X.*

**ISSUE 24C:** 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 2018 and 2019?

*Proposed stipulation – see Section X.*

**ISSUE 24D:** 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 2019?

*Proposed stipulation – see Section X.*

**ISSUE 24E:** 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 2019?

*Proposed stipulation – see Section X.*

### **Gulf Power Company**

No company-specific capacity cost recovery factor issues for Gulf Power Company have been identified at this time. If such issues are identified, they shall be numbered 25A, 25B, 25C, 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 shall be numbered 26A, 26B, 26C, and so forth, as appropriate.

### **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate final capacity cost recovery adjustment true-up amounts for the period January 2017 through December 2017?



*Proposed stipulation – see Section X.*

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2018 through December 2018?

*Proposed stipulation – see Section X.*

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2019 through December 2019?

*Proposed stipulation – see Section X.*

**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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**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 2019 through December 2019?

*Proposed stipulation – see Section X.*

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2019 through December 2019?

*Proposed stipulation – see Section X.*

### **III. EFFECTIVE DATE**

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

*Proposed stipulation – see Section X.*

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

*Proposed stipulation – see Section X.*

**ISSUE 36:** Should this docket be closed?

*Proposed stipulation – see Section X.*

**IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
	<u>Direct</u>		
Jeffrey Swartz	DEF	JS-1	Bartow Plant Root Cause Analysis <b>CONFIDENTIAL</b>
Christopher Menendez	DEF	CAM-1T	Fuel Cost Recovery True-Up (Jan – Dec. 2017)
Christopher Menendez	DEF	CAM-2T	Capacity Cost Recovery True-Up (Jan – Dec. 2017) <b>CONFIDENTIAL</b>
Christopher Menendez	DEF	CAM-3T	Schedule A12 for Jan-Dec 2017 <b>CONFIDENTIAL</b>
Christopher Menendez	DEF	CAM-4T	2017 Capital Structure and Cost Rates Applied to Capital Projects
Christopher Menendez	DEF	CAM-2	Actual/Estimated True-up Schedules for period January – December 2018 <b>CONFIDENTIAL</b>

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Christopher Menendez	DEF	CAM-3	Projection Factors for January - December 2019 <b>CONFIDENTIAL</b>
James McClay	DEF	JM-1T	Hedging True-Up August - December 2017- <b>CONFIDENTIAL</b>
James McClay	DEF	JM-1P	Hedging Report (January – July 2018) – <b>CONFIDENTIAL</b>
Matthew Jones	DEF	MJJ-1P	GPIF Targets/Ranges Schedules for January – December 2019)
Matthew Jones	DEF	MJJ-1T	DEF’s Generating Performance Incentive Factor Reward/Penalty for January through December 2017
R. B. Deaton	FPL	RBD-1	2017 FCR Final True Up Calculation
R. B. Deaton	FPL	RBD-2	2017 CCR Final True Up Calculation ( <b>Confidential</b> )
R. B. Deaton	FPL	RBD-3	2018 FCR Actual/Estimated True Up Calculation
R. B. Deaton	FPL	RBD-4	2018 CCR Actual/Estimated True Up Calculation
R. B. Deaton	FPL	RBD-5	Appendix II 2019 FCR Projection (Jan-Feb)
R. B. Deaton	FPL	RBD-6	Appendix III 2019 FCR Projection (Mar-May)
R. B. Deaton	FPL	RBD-7	Appendix IV 2019 FCR Projection (Jun-Dec)
R. B. Deaton	FPL	RBD-8	Appendix V 2019 FCR Projection (Jan-Dec)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
R. B. Deaton	FPL	RBD-9	Appendix VI 2019 CCR Projection (Jan-Dec) <b>(Confidential)</b>
G. J. Yupp	FPL	GJY-1	2017 Incentive Mechanism Results <b>(Confidential)</b>
G. J. Yupp	FPL	GJY-2	2017 Hedging Activity True-up
G. J. Yupp	FPL	GJY-3	Appendix I Fuel Cost Recovery
C. R. Rote	FPL	CRR-1	Generating Performance Incentive Factor Performance Results for January 2017 through December 2017
C. R. Rote	FPL	CRR-2	Generating Performance Incentive Factor Performance Targets for January 2019 through December 2019
W. F. Brannen	FPL	WFB-1	List of FPL Universal PV Solar Energy Centers in Service
W. F. Brannen	FPL	WFB-2	Typical Solar Energy Center Block Diagram
W. F. Brannen	FPL	WFB-3	Renderings of 2019 Solar Energy Centers
W. F. Brannen	FPL	WFB-4	Specifications for 2019 Solar Energy Centers
W. F. Brannen	FPL	WFB-5	Property Delineations, Features and Land Use of 2019 Solar Energy Centers
W. F. Brannen	FPL	WFB-6	Construction Schedule for 2019 Solar Energy Centers
J. Enjamio	FPL	JE-1	Load Forecast
J. Enjamio	FPL	JE-2	FPL Fuel Price Forecast
J. Enjamio	FPL	JE-3	FPL Resource Plans

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
J. Enjamio	FPL	JE-4	CPVRR – Costs and (Benefits)
J. Enjamio	FPL	JE-5	Avoided Fossil Fuel
J. Enjamio	FPL	JE-6	Avoided Air Emissions
S. Castaneda	FPL	SKC-1	2019 SoBRA Revenue Requirement Calculation
T. Cohen	FPL	TCC-1	2019 SoBRA Factor Calculation
T. Cohen	FPL	TCC-2	Projected Retail Base Revenues
T. Cohen	FPL	TCC-3	Summary of Tariff Changes for March 1, 2019
T. Cohen	FPL	TCC-4	Typical Bill Projections
Curtis D. Young	FPUC	CDY-1	Final True Up Schedules (Schedules A, C1 and E1-B for FPUC’s Divisions)
Michael Cassel	FPUC	MC-1	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1)
Michael Cassel	FPUC	MC-2	Schedules E1, E1A, E2, E7, E8, E10 and Schedule A
Michael Cassel	FPUC	MC-1 Alternate	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1)
Michael Cassel	FPUC	MC-2 Alternate	Schedules E-1, E1-A, E-2, E-7, E-8, E-10
C. S. Boyett	Gulf	CSB-1	Calculation of Final True-Up January 2017 – December 2017
C. S. Boyett	Gulf	CSB-2	A-Schedules December 2017
C. S. Boyett	Gulf	CSB-3	Estimated True-Up January 2018 – December 2018

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
C. S. Boyett	Gulf	CSB-4	Projected PPCC Scherer/Flint Credit Calculation July 2018 – December 2018
C. S. Boyett	Gulf	CSB-5	Projection January 2019 – December 2019
C. S. Boyett	Gulf	CSB-6	2019 Projected PPCC Scherer/Flint Credit Calculation
C. S. Boyett	Gulf	CSB-7	Hedging Information Report August 2017 – December 2017
C. S. Boyett	Gulf	CSB-8	Hedging Information Report January 2018– July 2018
C. L. Nicholson	Gulf	CLN-1	Gulf Power Company GPIF Results January 2017 – December 2017
C. L. Nicholson	Gulf	CLN-2	Gulf Power Company GPIF Targets and Ranges January 2019 – December 2019

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Penelope A. Rusk	TECO	PAR-1	Final True-up Capacity Cost Recovery January 2017 - December 2017; Final True-up Fuel Cost Recovery January 2017 - December 2017; Actual Fuel True-up Compared to Original Estimates January 2017 - December 2017; Schedules A-1, A-2 and A-6 through A-9 and A-12 January 2017 - December 2017; Capital Projects Approved for Fuel Clause Recovery January 2017 - December 2017
Penelope A. Rusk	TECO	PAR-2	Actual/Estimated True-Up Fuel Cost Recovery January 2018 - December 2018; Actual/Estimated True-Up Capacity Cost Recovery; January 2018- December 2018; Capital Projects Approved for Fuel Clause Recovery January 2018 - December 2018
Penelope A. Rusk	TECO	PAR-3	Projected Capacity Cost Recovery January 2019 - December 2019; Projected Fuel Cost Recovery January 2019 - December 2019; Levelized and Tiered Fuel Rate January 2019- December 2019; Capital Projects Approved for Fuel Clause Recovery January 2019 - December 2019
Brian S. Buckley	TECO	BSB-1	Final True-Up Generating Performance Incentive Factor January 2017 - December 2017; Actual Unit Performance Data January 2017 - December 2017

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Brian S. Buckley	TECO	BSB-2	Generating Performance Incentive Factor Correction-Actual Results and Targets January 2014 – December 2016; Generating Performance Incentive Factor Correction-Targets January 2017 – December 2018
Brian S. Buckley	TECO	BSB-3	Generating Performance Incentive Factor January 2019 – December 2019; Summary of Generating Performance Incentive Factor Targets January 2019 – December 2019
Brent C. Caldwell	TECO	JBC-1	Final True-Up Hedging Activity Report January 2017 – December 2017
Brent C. Caldwell	TECO	JBC-2	Natural Gas Hedging Activity Report January 2018 – July 2018
Simon O. Ojada	Staff	SOO-1	DEF Hedging Audit Report August 1, 2017 to July 31, 2018
Debra N. Dobiac	Staff	DMD-1	FPL Hedging Audit Report August 1, 2017 to July 31, 2018
Donna D. Brown	Staff	DDB-1	Gulf Hedging Audit Report August 1, 2017 to July 31, 2018
Intesar Terkawi	Staff	IT-1	TECO Hedging Audit Report August 1, 2017 to July 31, 2018

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.



**X. PROPOSED STIPULATIONS**

There are proposed Type 2 stipulations as stated below:

**ISSUE 2B:** 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 2017 through December 2017, and how should that gain to be shared between FPL and customers?

**STIPULATION:**

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 2017 through December 2017 was \$43,861,831, as reflected in Column 5 of Table 1, Total Gains Schedule, (Exhibit GJY-1, Page 1 of 4). This amount exceeded the sharing threshold of \$40 million, and therefore the incremental gain above that amount should be shared between FPL and customers (60% and 40%, respectively), with FPL retaining \$2,317,099, as reflected in Column 9 of Table 2, Total Gains Schedule (Exhibit GJY-1, Page 1 of 4).

**ISSUE 2C:** 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 2017 through December 2017?

**STIPULATION:**

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 2017 through December 2017 is \$703,923, as reflected in Columns 2 and 3 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, Page 4 of 4), and also on Line 14 of Schedule E1-B (2017 FCR Final True Up, Exhibit RBD-1, Page 2 of 3).

**ISSUE 2D:** 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 2017 through December 2017?

**STIPULATION:**

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 2017 through December 2017 is \$1,275,624, as reflected in Column 6 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, page 4 of 4).

**ISSUE 2E:** 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 2017 through December 2017?

**STIPULATION:**

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 2017 through December 2017 is (\$403,935), as reflected in Column 7 of the Incremental Optimization Costs Schedule (Exhibit GJY-1, page 4 of 4).

**ISSUE 2F:** What is the appropriate amount of actual/estimated 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?

**STIPULATION:**

The appropriate amount of actual/estimated 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 is \$519,261, as reflected on Line 15 of Schedule E1-B (2018 FCR Actual Estimated, Exhibit RBD-3, Page 1 of 40).

**ISSUE 2G:** What is the appropriate amount of actual/estimated 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?

**STIPULATION:**

The appropriate amount of actual/estimated 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 is \$1,375,890, as reflected on Line 16 of Schedule E1-B (2018 FCR Actual Estimated, Exhibit RBD-3, Page 1 of 40).

**ISSUE 2H:** What is the appropriate amount of actual/estimated 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?

**STIPULATION:**

The appropriate amount of actual/estimated 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 is (\$417,954), as reflected on Line 17 of Schedule E1-B (2018 FCR Actual Estimated, Exhibit RBD-3, Page 1 of 40).

**ISSUE 2I:** What is the appropriate amount of projected 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 2019 through December 2019?

**STIPULATION:**

The appropriate amount of projected 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 2019 through December 2019 is \$509,164, as reflected on Line 17 of Schedule E1 (Appendix II - 2019 FCR Projections, Exhibit RBD-5, Page 1 of 91).

**ISSUE 2J:** What is the appropriate amount of projected 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 2019 through December 2019?

**STIPULATION:**

The appropriate amount of projected 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 2019 through December 2019 is \$1,424,563, as reflected on Line 18 (Appendix II - 2019 FCR Projections, Exhibit RBD-5, Page 1 of 91).

**ISSUE 2K:** What is the appropriate amount of projected 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 2019 through December 2019?

**STIPULATION:**

The appropriate amount of projected 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 2019 through December 2019 is (\$357,809), as reflected on Line 19 of Schedule E1 (Appendix II - 2019 FCR Projections, Exhibit RBD-5, Page 1 of 91).

**ISSUE 2L:** Has FPL properly reflected in the fuel and purchased power cost recovery clause the effects of the St. John's River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

**STIPULATION:**

Yes, as reflected on Line 4 of Schedule E1-B (2018 FCR Actual/Estimated, Exhibit RBD-3, Page 1 of 40).

**ISSUE 2O:** Should the Commission approve revised tariffs for FPL reflecting the revised SoBRA factors for the 2017 and 2018 projects determined to be appropriate in this proceeding, effective January 1, 2019?

**STIPULATION:**

This issue is not ripe for consideration during the hearing cycle for 2018, and will be addressed in Docket No. 20190001-EI.

**ISSUE 2T:** Should the Commission approve FPL's proposed generation base rate adjustment (GBRA) factor of 3.040% percent for the Okeechobee Clean Energy Center expected to go in-service on June 1, 2019?

**STIPULATION:**

Yes. FPL's proposed GBRA factor of 3.040% percent for the Okeechobee Clean Energy Center is reflected in the 2019 GBRA Factor Calculation Schedule (Attachment TCC-1, Page 1 of 1).

**ISSUE 3A:** Has FPUC properly refunded \$221,415 to customers through the Fuel Clause in accordance with Order No. PSC-2018-0028-FOF-EI?

**STIPULATION:**

Yes. \$221,415 was refunded through the Fuel Clause to customers as a result of the Florida Supreme Court's March 16, 2017 decision on the FPL Interconnection Line project, and in accordance with Order No. PSC-2018-0028-FOF-EI. This amount included all actual/estimated costs associated with the FPL Interconnection Line project.

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**STIPULATION:**

The appropriate actual benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

DEF: \$1,817,289.

FPL: Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2016-0560-AS-EI, FPL revised its Incentive Mechanism program, which does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI. Setting the appropriate actual benchmark levels for calendar year 2018 for gains on non-separated wholesale energy sales eligible

for a shareholder incentive is not applicable to FPL as part of its revised Incentive Mechanism.

GULF: \$1,095,264.

TECO: The Company did not set a benchmark level for calendar year 2018. Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2017-0456-S-EI, the Company's Optimization Mechanism replaces the incentive program that used benchmark levels for gains on non-separated wholesale energy sales eligible for a shareholder incentive.

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**STIPULATION:**

The appropriate estimated benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive are as follows:

DEF: \$1,303,502.

FPL: Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2016-0560-AS-EI, FPL revised its Incentive Mechanism program, which does not rely upon the three-year average Shareholder Incentive Benchmark specified in Order No. PSC-00-1744-PAA-EI. Setting the appropriate estimated benchmark levels for calendar year 2019 for gains on non-separated wholesale energy sales eligible for a shareholder incentive is not applicable to FPL as part of its revised Incentive Mechanism.

GULF: \$976,386.

TECO: The Company did not set an estimated benchmark level for calendar year 2019. Pursuant to the Stipulation and Settlement that was approved in Order No. PSC-2017-0456-S-EI, the Company's Optimization Mechanism replaces the incentive program that used benchmark levels for gains on non-separated wholesale energy sales eligible for a shareholder incentive.

**ISSUE 8:** What are the appropriate final fuel adjustment true-up amounts for the period January 2017 through December 2017?

**STIPULATION:**

The appropriate final fuel adjustment true-up amounts for the period January 2017 through December 2017 are as follows:

- FPL: \$23,632,267, under-recovery, as reflected on Line 3 of the Summary Of Net True Up Schedule (2017 FCR Final True Up, Exhibit RBD-1, Page 1 of 3).
- FPUC: \$2,245,979, under-recovery as reflected on Line 10 of Schedule A (Exhibit CDY-1, Page 1 of 3).
- GULF: \$10,213,781 over-recovery, as reflected on Line C9, Schedule 2, 2017 Final True-Up Schedules (Exhibit CSB-1, Page 2 of 7).
- TECO: \$7,199,907, over-recovery, as reflected on Line 11, Final Fuel and Purchased Power Over/(Under) Recovery Schedule (Exhibit PAR-1, Document No.2, Page 1 of 1).

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2018 through December 2018?

**STIPULATION:**

The appropriate fuel adjustment actual/estimated true-up amounts for the period January 2018 through December 2018 are as follows:

- DEF: \$34,602,826, under-recovery, as reflected on Line 8 of Schedule E1-B (Exhibit CAM-3, Part 2, Page 2 of 2).
- FPL: \$88,108,249, under-recovery, as reflected on Lines 41 plus Line 42 of Schedule E1-B (2018 FCR Actual Estimated, Exhibit RBD-3, Page 1 of 40).
- FPUC: \$3,176,245, under-recovery, as reflected on Lines 83 and 84 of Schedule E-1b (Exhibit MC-1, Page 2 of 3).
- GULF: \$13,195,558, over-recovery, as reflected on Line C9, Schedule E-1B, Page 2 of 2 (Exhibit CSB-5, 2019 Projection Filing, Page 4 of 41).
- TECO: \$184,422, under-recovery, as reflected on Schedule E1-B, Line C9 (Exhibit PAR-2, Calculation of Estimated True-Up, Document No. 1, Page 2 of 30).

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 through December 2019?

**STIPULATION:**

The appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 through December 2019 are as follows:

FPL: \$111,740,516 to be collected (under-recovery), as reflected on Line 46 of Schedule E1-B (2018 FCR Actual/Estimated, Exhibit RBD-3, Page 1 of 40).

FPUC: On October 18, 2018, FPUC and OPC jointly proposed a stipulation to resolve all issues in Docket No. 20180048-EI. If approved, that proposal that impacts this issue.

If that stipulation is approved, the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 through December 2019 is \$3,957,772 to be collected (under-recovery), as reflected on Line 88 of Alternate Schedule E-1b (Alternate Exhibit MC-1, Page 2 of 3).

If that stipulation is not approved, the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2019 through December 2019 is \$5,422,224, to be collected (under-recovery), as reflected Line 87 of Schedule E-1b (Exhibit MC-1, Page 2 of 3).

Gulf: \$23,409,339, to be refunded (over-recovery), as reflected on Line 23, Schedule E-1 (Exhibit CSB-5, 2019 Projection Filing, Page 1 of 41).

TECO: \$7,015,485 to be refunded (over-recovery), as reflected on Line 28, Schedule E1 (Exhibit PAR-3, Document No. 2, Page 2 of 30).

**ISSUE 11: What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019?**

**STIPULATION:**

The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019 are as follows:

DEF: \$1,412,413,746, which is adjusted for line losses and excludes prior period true-up amounts, revenue taxes and GPIF amounts, as reflected on Line 21 of Schedule E1 (Exhibit CAM-3, Part 2, Page 1 of 1).

FPL: \$2,706,845,783, which is adjusted for jurisdictional losses, but excludes prior period true-up amounts, revenue taxes, GPIF amounts, and FPL's portion of Incentive Mechanism gains, as reflected on Line 27 of Schedule E1 (Appendix V – 2019 FCR Projections Schedule, Exhibit RBD-8, Page 1 of 6). The



jurisdictional savings amounts from the 2019 SoBRAs and the Okeechobee Clean Energy Center are incorporated in this amount, and the spread across the entire year.

FPUC: \$61,162,693, as reflected on Line 27, Schedule E1 (Exhibit MC-2, Page 1 of 8).

GULF: \$359,681,325, which is adjusted for line losses, but excluding prior period true-up amounts, revenue taxes, GPIF amounts, and the estimated tax credit savings, as reflected on Line 22, Schedule E1 (Exhibit CSB-5, 2019 Projection Filing, Page 1 of 41).

TECO: \$537,871,753, which is adjusted for jurisdictional losses, but excluding prior period true-up amounts, revenue taxes, and GPIF amounts, as reflected on Line 27, Schedule E1 (Exhibit PAR-3, Document No. 2, Page 2 of 30).

**ISSUE 16: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2017 through December 2017 for each investor-owned electric utility subject to the GPIF?**

**STIPULATION:**

The appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2017 through December 2017 for each investor-owned electric utility subject to the GPIF is as follows:

DEF \$2,301,526 penalty, as reflected on Original Sheet No. 6.101.1, GPIF Reward/Penalty Table (Exhibit MJJ-1T, Page 2 of 24), and also on Line 26 of Schedule E1 (Exhibit CAM-3, Part 2, Page 1 of 1).

FPL \$5,857,941 reward, as reflected in Reward/Penalty Table (Actual) For the Period January through December, 2017 (Exhibit CRR-1, Page 2 of 20), and also on Line 32 of Schedule E1, Appendix II – 2019 FCR Projections Schedule (Exhibit RBD-5, Page 1 of 91).

GULF \$256,872 penalty, as reflected in GPIF 2017 Results Filing (Exhibit CLN-1, Page 28 of 51, Schedule 4, Page 2 of 2), and also on Line 27, Schedule E1 (Exhibit CSB-5, 2019 Projection Filing, Page 1 of 41).

TECO \$4,711,929 penalty, as reflected GPIF Reward/Penalty Table (Exhibit BSB-1, Document No. 1, Page 2 of 32).

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF?

**STIPULATION:**

The appropriate GPIF targets/ranges be for the period January 2019 through December 2019 for each investor-owned electric utility subject to the GPIF are shown in Tables 17-1 through 17-4 below:

DEF: See Table 17-1 below:

FPL: See Table 17-2 below:

Gulf: See Table 17-3 below:

TECO: See Table 17-4 below:

**Table 17-1  
 GPIF Targets/Ranges for the period January-December, 2019**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
DEF	Bartow 4	77.28	81.18	684	8,075	8,724	10,278
	Crystal River 4	88.12	92.48	1,399	10,237	10,773	6,743
	Crystal River 5	78.10	80.15	741	10,206	10,764	5,939
	Hines 1	91.96	92.78	279	7,337	7,754	2,750
	Hines 2	92.15	92.88	82	7,501	7,777	1,811
	Hines 3	88.09	89.19	370	7,354	7,599	1,789
	Hines 4	88.17	85.53	1,026	7,050	7,262	1,756
	Total			4,580			31,066

Source: GPIF Target and Range Summary (Exhibit MJJ-1P, Page 4 of 76).

**Table 17-2  
 GPIF Targets/Ranges for the period January-December, 2019**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
FPL	Cape Canaveral 3	77.7	80.7	1,375	6,644	6,771	2,283
	Manatee 3	91.2	93.7	1,044	6,924	7,058	2,010

FPL	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
	Ft. Myers 2	81.5	84.0	1,195	7,298	7,429	3,052
	Martin 8	90.8	93.3	1,047	6,977	7,129	2,286
	Riviera 5	86.7	89.2	1,270	6,661	6,754	1,856
	St. Lucie 1	84.6	87.6	4,157	10,404	10,503	393
	St. Lucie 2	93.6	96.6	3,848	10,268	10,358	344
	Turkey Point 3	93.6	96.6	3,597	11,021	11,176	674
	Turkey Point 4	81.3	84.3	3,263	10,954	11,126	612
	West County 1	87.4	90.4	1,913	7,012	7,144	2,691
	West County 2	84.5	87.0	1,186	6,946	7,085	2,626
	West County 3	86.8	89.8	1,972	6,982	7,121	2,943
	Total			25,867			21,770

Source: GPIF Target and Range Summary (Exhibit CRR-2, Pages 6-7 of 34).

**Table 17-3**  
**GPIF Targets/Ranges for the period January-December, 2019**

GULF	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
	Scherer 3	79.5	80.4	11	10,617	10,936	1,205
	Crist 7	90.2	93.2	10	10,585	10,903	559
	Daniel 1	93.5	95.6	0	11,976	12,335	25
	Daniel 2	86.5	88.2	0	11,673	12,023	37
	Smith 3	93.6	94	57	6,882	7,088	2,923
	Total			78			4,749

Source: GPIF Unit Performance Summary (Exhibit CLN-2, Schedule 3, Page 41 of 64).

**Table 17-4**  
**GPIF Targets/Ranges for the period January-December, 2019**

TECO	Plant/Unit	Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR BTU/KWH	ANOHR BTU/KWH	Savings (\$000's)
			Polk 1	83.3	85.4	549.8	10,170
	Polk 2	90.9	91.7	205.7	6,930	7,103	3,998.7
	Bayside 1	91.0	91.7	120.0	7,400	7,516	1,517.1
	Bayside 2	87.4	88.8	337.7	7,561	7,789	2,964.0
	Total			1,213.2			9,625.6

Source: GPIF Target and Range Summary (Exhibit BSB-3, Document 1, Page 4 of 27).

## **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 2019 through December 2019?

### **STIPULATION:**

The appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019 are as follows:

**FPL:** \$2,828,678,170, which includes prior period true-up amounts, revenue taxes, the GPIF reward, FPL's portion of Incentive Mechanism gains, and the jurisdictional savings amounts from the 2019 SoBRAs and the Okeechobee Clean Energy Center, as reflected on Line 34 of Schedule E1 (Appendix V – 2019 FCR Projections Schedule, Exhibit RBD-8, Page 1 of 6).

**FPUC:** On October 18, 2018, FPUC and OPC jointly proposed a stipulation to resolve all issues in Docket No. 20180048-EI. If approved, that proposal that impacts this issue.

If that stipulation is approved, the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019 is \$64,370,465, which includes prior period true-up amounts, as reflected on Line 31, Alternate Schedule E1 (Alternate Exhibit MC-2, Page 1 of 8).

If that stipulation is not approved, the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2019 through December 2019 is \$65,834,917, which includes prior period true-up amounts, as reflected on Line 31, Schedule E1 (Exhibit MC-2, Page 1 of 8).

**GULF:** \$326,311,230, which is adjusted for line losses, and includes prior period true-up amounts, revenue taxes, GPIF amounts, and the estimated tax credit savings, as reflected on Line 30, Schedule E1 (Exhibit CSB-5, 2019 Projection Filing, Page 1 of 41).

**TECO:** \$528,977,466, which is adjusted for jurisdictional losses, and includes prior period true-up amounts, revenue taxes, and GPIF amounts, as reflected on Line 33, Schedule E1 (Exhibit PAR-3, Document No. 2, Page 2 of 30).

**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 2019 through December 2019?

**STIPULATION:**

The appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2019 through December 2019 is 1.00072.

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2019 through December 2019?

**STIPULATION:**

The appropriate levelized fuel cost recovery factors for the period January 2019 through December 2019 are as follows:

**FPL:**

The appropriate levelized factors are as follows:

- A. 2.735 cents per kWh (adjusted for jurisdictional losses and revenue taxes), for the period January 1, 2019 through the day prior to the in-service date of the 2019 SoBRA (projected to be February 28, 2019), as reflected on Line 37 of Schedule E1 (Appendix II – 2019 FCR Projections Schedule, Exhibit RBD-5, Page 1 of 91).
- B. 2.712 cents per kWh (adjusted for jurisdictional losses and revenue taxes), for the period March 1, 2019 through the day prior to the in-service date of the Okeechobee Clean Energy Center (projected to be May 31, 2019), as reflected on Line 38 of Schedule E1 (Appendix III – 2019 FCR Projections Schedule, Exhibit RBD-6, Page 1 of 7).
- C. 2.551 cents per kWh (adjusted for jurisdictional losses and revenue taxes), for the period June 1, 2019 through December, 31, 2019, as reflected on Line 39 of Schedule E1 (Appendix IV – 2019 FCR Projections Schedule, Exhibit RBD-7, Page 1 of 7).

**FPUC:**

On October 18, 2018, FPUC and OPC jointly proposed a stipulation to resolve all issues in Docket No. 20180048-EI. If approved, that proposal that impacts this issue.

If that stipulation is approved, the appropriate levelized factor is 6.212 cents per kWh, as reflected on Line 43, Alternate Schedule E1 (Alternate Exhibit MC-2, Page 2 of 8).

If that stipulation is not approved, the appropriate levelized factor is 6.433 cents per kWh, as reflected on Line 43, Schedule E1 (Exhibit MC-2, Page 2 of 8).

**GULF:** The appropriate levelized factor is 3.030 cents/kWh., as reflected on Line 31, Schedule E-1 (Exhibit CSB-5, 2019 Projection Filing, Page 1 of 41).

**TECO:** The appropriate factor is 2.715 cents per kWh before any application of time of use multipliers for on-peak or off-peak usage, as reflected on Line 34, Schedule E1 (Exhibit PAR-3, Document No. 2, Page 2 of 30).

**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?

**STIPULATION:**

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 are shown below:

**DEF:** See Table 21-1 below:

**Table 21-1  
DEF Fuel Recovery Line Loss Multipliers  
for the period January-December, 2019**

Group	Delivery Voltage Level	Line Loss Multiplier
A	Transmission	0.98
B	Distribution Primary	0.99
C	Distribution Secondary	1.00
D	Lighting Service	1.00

Source: Menendez Testimony, dated August 24, 2018 (Pages 2-3).

**FPL:** 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 are provided in response to Issue No. 22.

**FPUC:** The appropriate fuel recovery line loss multiplier to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class is 1.0000, as reflected on Line 26a, Schedule E1 (Exhibit MC-2, Page 1 of 8).

**GULF:** See Table 21-2 below:

**Table 21-2  
 GULF Fuel Recovery Line Loss Multipliers  
 for the period January-December, 2019**

Group	Rate Schedules	Fuel Recovery Loss Multipliers
A	RS, RSVP, RSTOU, GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00555
B	LP, LPT, SBS(2)	0.99188
C	PX, PXT, RTP, SBS(3)	0.97668
D	OSI/II	1.00560
(1) Includes SBS customers with a contract demand in the range of 100 to 499 kW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 kW (3) Includes SBS customers with a contract demand over 7,499 kW		

Source: Schedule E1-E (Exhibit CSB-5, 2019 Projection Filing, Page 8 of 41).

TECO: See Table 21-3 below:

**Table 21-3  
 TECO Fuel Recovery Line Loss Multipliers  
 for the period January-December, 2019**

Delivery Voltage Level	Line Loss Multiplier
Transmission	0.98
Distribution Primary	0.99
Distribution Secondary	1.00
Lighting Service	1.00

Source: Schedule E1-E, BSP 23 (Exhibit PAR-3, Document Number 2, Page 6 of 30).

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

**STIPULATION:**

The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown in Tables 22-2 through 22-13 below:

FPL: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses are shown below. The factors for January and February, 2019 are shown in Tables 22-2 and 22-3 below. The factors for March

through May, 2019 are shown in Tables 22-4 and 22-5 below. The factors for June through December, 2019 are shown in Tables 22-6 and 22-7 below:

**Table 22-2**  
**FPL Fuel Cost Recovery Factors for the period January-February, 2019**

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
For the Period January through February, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.735	1.00487	2.412
	RS-1, all addl. kWh	2.735	1.00487	3.412
	GS-1, SL-2, GSCU-1, WIES-1	2.735	1.00487	2.748
A-1	SL-1, OL-1, PL-1	2.591	1.00487	2.604
B	GSD-1	2.735	1.00482	2.748
C	GSLD-1, CS-1	2.735	1.00412	2.746
D	GSLD-2, CS-2, OS-2, MET	2.735	0.99638	2.725
E	GSLD-3, CS-3	2.735	0.97324	2.662
A	GST-1 On-Peak	3.457	1.00487	3.474
	GST-1 Off Peak	2.426	1.00487	2.438
	RTR-1 On-Peak	-	-	0.726
	RTR-1 Off-Peak	-	-	(0.310)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On Peak	3.457	1.00481	3.474
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off Peak	2.426	1.00481	2.438
C	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) On Peak	3.457	1.00412	3.471
	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) Off Peak	2.426	1.00412	2.436
D	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) On Peak	3.457	0.99690	3.446
	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) Off Peak	2.426	0.99690	2.418
E	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) On Peak	3.457	0.97324	3.364
	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) Off Peak	2.426	0.97324	2.361
F	CILC-1(D), ISST-1(D) On Peak	3.457	0.99646	3.445
	CILC-1(D), ISST-1(D) Off Peak	2.426	0.99646	2.417

Source: Schedule E1-E, Page 1 of 2 (Exh. RBD-5, Appendix II – 2019 FCR Projections, Page 7 of 91).

**Table 22-3**  
**FPL Fuel Cost Recovery Factors for the period January-February, 2019**

Seasonal Demand Time of Use Rider (SDTR) Fuel Recovery Factors				
For the Period June - September, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	4.611	1.00482	4.633
	GSD(T)-1 Off-Peak	2.494	1.00482	2.506
C	GSLD(T)-1 On-Peak	4.611	1.00412	4.630
	GSLD(T)-1 Off-Peak	2.494	1.00412	2.504



D	GSLD(T)-2 On-Peak	4.611	0.99690	4.597
	GSLD(T)-2 Off-Peak	2.494	0.99690	2.486

Source: Schedule E1- E, Page 2 of 2 (Exh. RBD-5, Appendix II – 2019 FCR Projections, Page 8 of 91).

**Table 22-4**  
**FPL Fuel Cost Recovery Factors for the period March-May, 2019**

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
For the Period March through May, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.712	1.00487	2.389
	RS-1, all addl. kWh	2.712	1.00487	3.389
	GS-1, SL-2, GSCU-1, WIES-1	2.712	1.00487	2.725
A-1	SL-1, OL-1, PL-1	2.569	1.00487	2.582
B	GSD-1	2.712	1.00482	2.725
C	GSLD-1, CS-1	2.712	1.00412	2.723
D	GSLD-2, CS-2, OS-2, MET	2.712	0.99638	2.702
E	GSLD-3, CS-3	2.712	0.97324	2.639
A	GST-1 On-Peak	3.428	1.00487	3.445
	GST-1 Off Peak	2.406	1.00487	2.418
	RTR-1 On-Peak	-	-	0.720
	RTR-1 Off-Peak	-	-	(0.307)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On Peak	3.428	1.00481	3.445
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off Peak	2.406	1.00481	2.418
C	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) On Peak	3.428	1.00412	3.442
	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) Off Peak	2.406	1.00412	2.416
D	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) On Peak	3.428	0.99690	3.417
	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) Off Peak	2.406	0.99690	2.399
E	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) On Peak	3.428	0.97324	3.336
	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) Off Peak	2.406	0.97324	2.342
F	CILC-1(D), ISST-1(D) On Peak	3.428	0.99646	3.416
	CILC-1(D), ISST-1(D) Off Peak	2.406	0.99646	2.397

Source: Schedule E1-E, Page 1 of 2 (Exh. RBD-6, Appendix III – 2019 FCR Projections, Page 3 of 7).

**Table 22-5**  
**FPL Fuel Cost Recovery Factors for the period March-May, 2019**

Seasonal Demand Time of Use Rider (SDTR) Fuel Recovery Factors				
For the Period June - September, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor
B	GSD(T)-1 On-Peak	4.572	1.00482	4.594
	GSD(T)-1 Off-Peak	2.473	1.00482	2.485
C	GSLD(T)-1 On-Peak	4.572	1.00412	4.591

	GSLD(T)-1 Off-Peak	2.473	1.00412	2.483
D	GSLD(T)-2 On-Peak	4.572	0.99690	4.558
	GSLD(T)-2 Off-Peak	2.473	0.99690	2.465

Source: Schedule E1- E, Page 2 of 2 (Exh. RBD-6, Appendix III – 2019 FCR Projections, Page 4 of 7).

**Table 22-6**  
**FPL Fuel Cost Recovery Factors for the period June-December, 2019**

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
For the Period June through December, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor
A	RS-1 first 1,000 kWh	2.551	1.00487	2.227
	RS-1, all addl. kWh	2.551	1.00487	3.227
	GS-1, SL-2, GSCU-1, WIES-1	2.551	1.00487	2.563
A-1	SL-1, OL-1, PL-1	2.417	1.00487	2.428
B	GSD-1	2.551	1.00482	2.563
C	GSLD-1, CS-1	2.551	1.00412	2.562
D	GSLD-2, CS-2, OS-2, MET	2.551	0.99638	2.542
E	GSLD-3, CS-3	2.551	0.97324	2.483
A	GST-1 On-Peak	3.224	1.00487	3.240
	GST-1 Off Peak	2.263	1.00487	2.274
	RTR-1 On-Peak	-	-	0.677
	RTR-1 Off-Peak	-	-	(0.289)
B	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) On Peak	3.224	1.00481	3.240
	GSDT-1, CILC-1(G), HLFT-1 (21-499 kW) Off Peak	2.263	1.00481	2.274
C	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) On Peak	3.224	1.00412	3.237
	GSDLT-1, CST-1, HLFT-2 (500-1,9999 kW) Off Peak	2.263	1.00412	2.272
D	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) On Peak	3.224	0.99690	3.214
	GSDLT-2, CST-2, HLFT-3 (2,000+ kW) Off Peak	2.263	0.99690	2.256
E	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) On Peak	3.224	0.97324	3.138
	GSDLT-3, CST-3, CILC-1(T), ISST-1(T) Off Peak	2.263	0.97324	2.202
F	CILC-1(D), ISST-1(D) On Peak	3.224	0.99646	3.213
	CILC-1(D), ISST-1(D) Off Peak	2.263	0.99646	2.255

Source: Schedule E1-E, Page 1 of 2 (Exh. RBD-7, Appendix IV – 2019 FCR Projections, Page 3 of 7).

**Table 22-7**  
**FPL Fuel Cost Recovery Factors for the period June-December, 2019**

Seasonal Demand Time of Use Rider (SDTR) Fuel Recovery Factors				
For the Period June - September, 2019				
Group	Rate Schedule	Avg. Factor	Loss Multiplier	Fuel Recovery Factor

B	GSD(T)-1 On-Peak	4.301	1.00482	4.322
	GSD(T)-1 Off-Peak	2.327	1.00482	2.338
C	GSLD(T)-1 On-Peak	4.301	1.00412	4.319
	GSLD(T)-1 Off-Peak	2.327	1.00412	2.337
D	GSLD(T)-2 On-Peak	4.301	0.99690	4.288
	GSLD(T)-2 Off-Peak	2.327	0.99690	2.320

Source: Schedule E1- E, Page 2 of 2 (Exh. RBD-7, Appendix IV – 2019 FCR Projections, Page 4 of 7).

FPUC: On October 18, 2018, FPUC and OPC jointly proposed a stipulation to resolve all issues in Docket No. 20180048-EI. If approved, that proposal that impacts this issue.

If that stipulation is approved, the appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2019 through December 2019 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are shown in Alternate Tables 22-1 through 22-3 below:

If that stipulation is not approved, the appropriate levelized fuel adjustment and purchased power cost recovery factors for the period January 2019 through December 2019 for the Consolidated Electric Division, adjusted for line loss multipliers and including taxes, are shown in Tables 22-1 through 22-3 below:

**Alternate Table 22-1  
FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Fuel Recovery Factors – By Rate Schedule For the Period January through December, 2019	
Rate Schedule	Levelized Adjustment (cents/kWh)
RS	9.885
GS	9.564
GSD	9.141
GSLD	8.842
LS	6.952

Source: Alternate Schedule E1, Page 3 of 3 (Alternate Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

**Alternate Table 22-2  
FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Step Rate Allocation For Residential Customers (RS Rate Schedule)	
For the Period January through December, 2019	
Rate Schedule and Allocation	Levelized Adjustment (cents/kWh)
RS Rate Schedule – Sales Allocation	9.885
RS Rate Schedule with less than or equal to 1,000 kWh/month	9.526
RS Rate Schedule with more than 1,000 kWh/month	10.776

Source: Alternate Schedule E1, Page 3 of 3 (Alternate Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

**Alternate Table 22-3  
FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Fuel Recovery Factors for Time Of Use – By Rate Schedule		
For the Period January through December, 2019		
Rate Schedule	Levelized Adjustment On Peak (cents/kWh)	Levelized Adjustment Off Peak (cents/kWh)
RS	17.926	5.626
GS	13.564	4.564
GSD	13.141	5.891
GSLD	14.842	5.842
Interruptible	7.342	8.842

Source: Alternate Schedule E1, Page 3 of 3 (Alternate Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

**Table 22-1**  
**FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Fuel Recovery Factors – By Rate Schedule	
For the Period January through December, 2019	
Rate Schedule	Levelized Adjustment (cents/kWh)
RS	10.106
GS	9.785
GSD	9.362
GSLD	9.063
LS	7.173

Source: Schedule E1, Page 3 of 3 (Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

**Table 22-2**  
**FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Step Rate Allocation For Residential Customers (RS Rate Schedule)	
For the Period January through December, 2019	
Rate Schedule and Allocation	Levelized Adjustment (cents/kWh)
RS Rate Schedule – Sales Allocation	10.106
RS Rate Schedule with less than or equal to 1,000 kWh/month	9.747
RS Rate Schedule with more than 1,000 kWh/month	10.997

Source: Schedule E1, Page 3 of 3 (Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

**Table 22-3**  
**FPUC Fuel Cost Recovery Factors for the period January-December, 2019**

Fuel Recovery Factors for Time Of Use – By Rate Schedule		
For the Period January through December, 2019		
Rate Schedule	Levelized Adjustment On Peak (cents/kWh)	Levelized Adjustment Off Peak (cents/kWh)
RS	18.147	5.847
GS	13.785	4.785
GSD	13.362	6.112
GSLD	15.063	6.063
Interruptible	7.563	9.063

Source: Schedule E1, Page 3 of 3 (Exhibit MC-2, Cost Recovery Clause Calculation, Page 3 of 8).

GULF: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses for the period January 2019 through December 2019, are shown in Tables 22-11 and 22-12 below:

**Table 22-11**  
**Gulf Standard Fuel Cost Recovery Factors**  
**for the period January-December, 2019**

Group	Rate Schedules	Fuel Cost Recovery Factors ¢/KWH
A	RS, RSVP, RSTOU, GS, GSD, GSDT, GSTOU, OSIII	3.047
B	LP	3.005
C	PX, RTP	2.959
D	OSI/II	3.008

Source: Schedule E1-E (Exhibit CSB-5, 2019 Projection Filing, Page 8 of 41).

**Table 22-12**  
**Gulf Time-of-Use Fuel Cost Recovery Factors**  
**for the period January-December, 2019**

Group	Time-of-Use Rate Schedules	Fuel Recovery Loss Multipliers	Fuel Cost Recovery Factors ¢/KWH	
			On-Peak	Off-Peak
A	GSDT, SBS(1)	1.00555	3.681	2.782
B	LPT, SBS(2)	0.99188	3.631	2.745
C	PXT, SBS(3)	0.97668	3.576	2.702
(1) Includes SBS customers with a contract demand in the range of 100 to 499 kW (2) Includes SBS customers with a contract demand in the range of 500 to 7,499 kW (3) Includes SBS customers with a contract demand over 7,499 kW				

Source: Schedule E1-E (Exhibit CSB-5, 2019 Projection Filing, Page 8 of 41).

TECO: The appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses for the period January 2019 through December 2019, are shown in Table 22-13 below:

**Table 22-13  
TECO Fuel Cost Recovery Factors for the period January-December, 2019**

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (Up to 1,000 kWh)	Second Tier (Over 1,000 kWh)
<b>STANDARD</b>			
Distribution Secondary (RS only)	--	2.405	3.405
Distribution Secondary	2.719		
Distribution Primary	2.692		
Transmission	2.665		
Lighting Service	2.691		
<b>TIME OF USE</b>			
Distribution Secondary- On-Peak	2.874		
Distribution Secondary- Off-Peak	2.653		
Distribution Primary- On-Peak	2.845		
Distribution Primary- Off-Peak	2.626		
Transmission – On-Peak	2.817		
Transmission – Off-Peak	2.600		

Source: Schedule E1-E, Bates Stamped Page 23 (Exhibit PAR-3, Document Number 2, Page 6 of 30).

**II. CAPACITY ISSUES**

**COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

**Duke Energy Florida, LLC.**

**ISSUE 23A:** What amount has DEF included in the capacity cost recovery clause for nuclear cost recovery?

**STIPULATION:**

Duke has included \$43,858,854 in the capacity cost recovery clause for nuclear cost recovery, as reflected on Line 35, Schedule E12-A (Exhibit CAM-2, Part 3, Page 1 of 2).

**Florida Power & Light Company**

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

**STIPULATION:**

\$0.

**ISSUE 24B:** Has FPL properly reflected in the capacity cost recovery clause the effects of the St. John's River Power Park transaction approved by Order No. PSC-2017-0415-AS-EI?

**STIPULATION:**

Yes, as reflected in 2018 CCR Actual Estimated Schedule (Exhibit RDB-4, Page 14 of 18).

**ISSUE 24C:** 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 2018 and 2019?

**STIPULATION:**

For 2019, the appropriate projected 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 is \$3,304,628, as reflected on Line 15 of the Indiantown 2019 Revenue Requirements Schedule (Exhibit RDB-9, Appendix VI - 2019 CCR Projections Schedule, Page 20 of 31).

**ISSUE 24D:** 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 2019?

**STIPULATION:**

This issue is not ripe for consideration during the hearing cycle for 2018, and will be addressed in Docket No. 20190001-EI.

**ISSUE 24E:** 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 2019?

**STIPULATION:**

This issue is not ripe for consideration during the hearing cycle for 2018, and will be addressed in Docket No. 20190001-EI.



## **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate final capacity cost recovery true-up amounts for the period January 2017 through December 2017?

### **STIPULATION:**

The appropriate final capacity cost recovery true-up amounts for the period January 2017 through December 2017 are as follows:

DEF: \$346,154, over-recovery, as reflected on Line 9 of Capacity Cost Recovery Clause Summary of Actual True-Up Amount (Exhibit CAM-2T, Sheet 1 of 3).

FPL: \$2,212,807, under-recovery, as reflected on Line 3 of Capacity Cost Recovery Clause Final True Up Summary Schedule (Exhibit RBD-2, 2017 CCR Final True Up, Page 1 of 12).

GULF: \$846,417, over-recovery, as reflected on Line 2, Schedule CCE-1A, 2018 Est/Actual Schedules (Exhibit CSB-3, Page 29 of 33).

TECO: \$1,952,049, under-recovery, as reflected on Line 3, CCR 2017 Final True-Up (Exhibit PAR-1, Document No. 1, Page 1 of 4).

**ISSUE 28:** What are the appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2018 through December 2018?

### **STIPULATION:**

The appropriate capacity cost recovery actual/estimated true-up amounts for the period January 2018 through December 2018 are as follows:

DEF: \$16,264,319, over-recovery, as reflected on Line 42, Schedule E12-B (Exhibit CAM-2, Part 2, Page 1 of 2).

FPL: \$6,415,909, over-recovery, as reflected on Lines 9 plus Line 10, Capacity Cost Recovery Calculation of Actual/Estimated True-Up Amount (Exhibit RBD-4, 2018 CCR Actual Estimated, Page 3 of 18).

GULF: \$1,187,593, over-recovery, as reflected on Line 1, Schedule CCE-1A, 2018 Est/Actual Schedules (Exhibit CSB-3, Page 29 of 33).

TECO: \$832,939, under-recovery, as reflected on Line 2, Capacity Cost Recovery Calculation of the Current Period True-Up (Exhibit PAR-2, Document No. 2, Page 1 of 4).

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2019 through December 2019?

**STIPULATION:**

The appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2019 through December 2019 are as follows:

DEF: \$16,610,473, over-recovery, as reflected on Line 46, Schedule E12-B (Exhibit CAM-2, Part 2, Page 1 of 2).

FPL: \$4,203,102, over-recovery, as reflected on Line 15, Capacity Cost Recovery Calculation of Actual/Estimated True-Up Amount (Exhibit RBD-4, 2018 CCR Actual Estimated, Page 3 of 18).

GULF: \$2,034,010, over-recovery, as reflected on Line 3, Schedule CCE-1A, 2018 Est/Actual Schedules (Exhibit CSB-3, Page 29 of 33).

TECO: \$2,784,988, under-recovery, as reflected on Line 3, Capacity Cost Recovery Calculation of the Current Period True-Up (Exhibit PAR-2, Document No. 2, Page 1 of 4).

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2019 through December 2019?

**STIPULATION:**

The appropriate projected total capacity cost recovery amounts for the period January 2019 through December 2019 are as follows:

DEF: \$395,724,869, as reflected on Line 28, Schedule E12-A (Exhibit CAM-2, Part 3, Page 1 of 2).

FPL: \$260,414,750, which excludes prior period true-up amounts, revenue taxes and the Indiantown non-fuel base revenue requirement, as reflected on Line 27, Appendix VI - 2019 CCR Projections Schedule (Exhibit RBD-9, Page 2 of 31).

GULF: \$74,394,162, which is adjusted for jurisdictional losses, but excludes prior period true-up amounts, and revenue taxes, as reflected on Line 7 of Schedule CCE-1, 2019 Projection Filing (Exhibit CSB-5, Page 36 of 41).

TECO: \$14,327,487, which excludes prior period true-up amounts and revenue taxes, as reflected on Line 6, Capacity Cost Recovery Clause Calculation of Energy and

Demand Allocation By Rate Class (Exhibit PAR-3, Document No. 1, Page 2 of 4).

**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 2019 through December 2019?

**STIPULATION:**

The appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2019 through December 2019 are as follows:

DEF: \$430,136,347, as reflected on Line 39, Schedule E12-A (Exhibit CAM-2, Part 3, Page 1 of 2).

FPL: \$259,700,749, which includes prior period true-up amounts, revenue taxes and the Indiantown non-fuel based revenue requirement, as reflected Line 39, Appendix VI - 2019 CCR Projections Schedule (Exhibit RBD-9, Page 2 of 31) plus Line 15, Appendix VI – 2019 CCR Projections Schedule (Exhibit RBD-9, Page 17 of 31).

GULF: \$72,412,251, which is adjusted for jurisdictional losses, and includes prior period true-up amounts and revenue taxes, as reflected on Line 11 of Schedule CCE-1, 2019 Projection Filing (Exhibit CSB-5, Page 36 of 41).

TECO: \$17,124,796, which includes prior period true-up amounts and revenue taxes, as reflected on Line 10, Capacity Cost Recovery Clause Calculation of Energy and Demand Allocation By Rate Class (Exhibit PAR-3, Document No. 1, Page 2 of 4).

**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 2019 through December 2019?

**STIPULATION:**

The appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2019 through December 2019 are as follows:

DEF: Base – 92.885%, Intermediate – 72.703%, and Peaking – 95.924%, as reflected on Lines 10, 16, and 23, respectively, on Schedule E12-A (Exhibit CAM-3, Part 3, Page 1 of 2).

FPL:

<b>Demand</b>	<b>Separation Factors</b>
Transmission	0.892071
System Average Production Demand (base and solar)	0.957589
Contract Adjusted Demand – Intermediate	0.942474
Contract Adjusted Demand – Peaking	0.953443
<b>Energy</b>	
System Average Production Demand (base and solar)	0.959309
Contract Adjusted Demand – Intermediate	0.944167
Contract Adjusted Demand - Peaking	0.955155
<b>General Plant</b>	0.969214
<b>Distribution</b>	1.00000

Appendix VI- 2019 CCR Projections Schedule (Exhibit RBD-9, Page 22 of 31).

GULF: FPSC - 97.18277%, and FERC - 2.81723%, as reflected on Schedule CCE-1, 2019 Projection Filing (Exhibit CSB-5, Page 36 of 41).

TECO: The appropriate jurisdictional separation factor is 1.00, as reflected on Line 5, Capacity Cost Recovery Clause Calculation of Energy and Demand Allocation By Rate Class (Exhibit PAR-3, Document No. 1, Page 2 of 4).

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2019 through December 2019?

**STIPULATION:**

The appropriate capacity cost recovery factors for the period January 2019 through December 2019 are shown in Tables 33-1 through 33-6 below.

DEF: The appropriate capacity cost recovery factors for the period January 2019 through December 2019 are shown in Table 33-1 below.

**Table 33-1  
DEF Capacity Cost Recovery Factors for the period January-December, 2019**

<b>Rate Class</b>	<b>2019 Capacity and Nuclear Cost Recovery Factors</b>	
	<b>Cents / kWh</b>	<b>Dollars / kW-month</b>
Residential (RS-1, RST-1, RSL-1, RSL-2, RSS-1) At Secondary Voltage	1.248	
General Service Non-Demand (GS-1, GST-1)		

	At Secondary Voltage	1.192	
	At Primary Voltage	1.180	
	At Transmission Voltage	1.168	
General Service (GS-2)		0.718	
Lighting (LS-1)		0.154	
General Service Demand (GSD-1, GSDT-1, SS-1)			
	At Secondary Voltage		3.72
	At Primary Voltage		3.68
	At Transmission Voltage		3.65
Curtable (CS-1, CST-1, CS-2, CST-2, CS-3, CST-3, SS-3)			
	At Secondary Voltage		1.47
	At Primary Voltage		1.46
	At Transmission Voltage		1.44
Interruptible (IS-1, IST-1, IS-2, IST-2, SS-2)			
	At Secondary Voltage		3.00
	At Primary Voltage		2.97
	At Transmission Voltage		2.94
Standby Monthly (SS-1, 2, 3)			
	At Secondary Voltage		0.360
	At Primary Voltage		0.356
	At Transmission Voltage		0.353
Standby Daily (SS-1, 2, 3)			
	At Secondary Voltage		0.171
	At Primary Voltage		0.169
	At Transmission Voltage		0.168

Source: Schedule E12-E (Exhibit CAM-3, Part 3, Pages 1 of 2 and 2 of 2).

FPL: The appropriate capacity cost recovery factors for the period January 2019 through December 2019 are shown in Tables 33-2 through 33-4 below:

**Table 33-2**  
**FPL Capacity Cost Recovery Factors for the period January-December, 2019**

Rate Schedule	2019 Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00255	-	-
GS1/GST1	-	0.00251	-	-
GSD1/GSDT1/HLFT1	0.82	-	-	-
OS2	-	0.00102	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.94	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.89	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.87	-	-	-

SST1T	-	-	\$0.11	\$0.05
SST1D1/SST1D2/SST1D3	-	-	\$0.11	\$0.05
CILC D/CILC G	0.96	-	-	-
CILC T	0.92	-	-	-
MET	0.82	-	-	-
OL1/SL1/SL1M/PL1	-	0.00018	-	-
SL2/SL2M/GSCU1	-	0.00170	-	-

Source: Appendix VI – 2019 CCR Projections (Exhibit RBD-9, Page 19 of 31).

**Table 33-3**  
**FPL Capacity Cost Recovery Factors for the period January-December, 2019**

Rate Schedule	2019 Indiantown Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00003	-	-
GS1/GST1	-	0.00003	-	-
GSD1/GSDT1/HLFT1	0.01	-	-	-
OS2	-	0.00002	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.01	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.01	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.01	-	-	-
SST1T	-	-	-	-
SST1D1/SST1D2/SST1D3	-	-	-	-
CILC D/CILC G	0.01	-	-	-
CILC T	0.01	-	-	-
MET	0.01	-	-	-
OL1/SL1/SL1M/PL1	-	0.00001	-	-
SL2/SL2M/GSCU1	-	0.00002	-	-

Source: Appendix VI – 2019 CCR Projections (Exhibit RBD-9, Page 19 of 31).

**Table 33-4**  
**FPL Capacity Cost Recovery Factors for the period January-December, 2019**

Rate Schedule	2019 Total Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00258	-	-
GS1/GST1	-	0.00254	-	-
GSD1/GSDT1/HLFT1	0.83	-	-	-
OS2	-	0.00104	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.95	-	-	-

GSLD2/GSLDT2/CS2/CST2/HLFT3	0.90	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.98	-	-	-
SST1T	-	-	\$0.11	\$0.05
SST1D1/SST1D2/SST1D3	-	-	\$0.11	\$0.05
CILC D/CILC G	0.97	-	-	-
CILC T	0.93	-	-	-
MET	0.83	-	-	-
OL1/SL1/SL1M/PL1	-	0.00019	-	-
SL2/SL2M/GSCU1	-	0.00172	-	-

Source: Appendix VI – 2019 CCR Projections (Exhibit RBD-9, Page 19 of 31).

GULF: The appropriate capacity cost recovery factors for the period January 2019 through December 2019 are shown in Table 33-5 below:

**Table 33-5**  
**GULF Capacity Cost Recovery Factors for the period January-December, 2019**

Rate Class	2019 Capacity Cost Recovery Factors	
	Cents / kWh	Dollars / kW-month
RS, RSVP, RSTOU	0.776	-
GS	0.708	
GSD, GSDT, GSTOU	0.618	
LP, LPT	-	2.51
PX, PXT, RTP, SBS	0.520	-
OS-I/II	0.152	
OSIII	0.469	

Source: Schedule CCE-2, Page 2 of 2 (Exhibit CSB-5, Columns G and I, Page 40 of 41).

TECO: The appropriate capacity cost recovery factors for the period January 2019 through December 2019 are shown in Table 33-6 below:

**Table 33-6**  
**TECO Capacity Cost Recovery Factors for the period January-December, 2019**

Rate Class and Metering Voltage	2019 Capacity Cost Recovery Factors	
	Cents / kWh	Dollars / kW
RS Secondary	0.103	-
GS and CS Secondary	0.086	
GSD, SBF Standard		
Secondary	-	0.32
Primary		0.32
Transmission		0.31
GSD Optional		
Secondary	0.075	-
Primary	0.074	

Transmission	0.074	
IS, SBI		
Primary	-	0.24
Transmission		0.24
LSI Secondary	0.024	-

Source: Exhibit PAR-3, Document Number 1, Columns 10 and 11, Page 3 of 4.

### **III. EFFECTIVE DATE**

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

**STIPULATION:**

The new factors should be effective begin with the first billing cycle for January 2019 through the last billing cycle for December 2019. The first billing cycle may start before January 1, 2019, and the last cycle may be read after December 31, 2019, so that each customer is billed for twelve months regardless of when the recovery factors became effective. The new factors shall continue in effect until modified by this Commission.

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

**STIPULATION:**

Yes.

**ISSUE 36:** Should this docket be closed?

**STIPULATION:**

No. While a separate docket number is assigned each year for administrative convenience, this is a continuing docket and should remain open.

### **XI. PENDING MOTIONS**

On October 19, 2018, Florida Public Utilities Company filed a Motion to Accept Supplemental Direct Testimony and Revised Prehearing Statement in order to reflect the 2018 Tax Settlement entered into between OPC and FPUC on October 16, 2018. The 2019 Supplemental Testimony of Michael Cassel identifies the tax savings associated with the passage of the Tax Cuts and Jobs Act of 2017 and modifies FPUC's fuel factors to reflect those savings.



FPUC has modified its Prehearing Statement positions to provide alternative positions for Issues 10, 18, 20 and 22, based on the approval or disapproval of the 2018 Tax Settlement. Having heard no objections to FPUC's Motion to Accept Supplemental Direct Testimony and Revised Prehearing Statement, FPUC's motion is hereby granted.

**XII. PENDING CONFIDENTIALITY MATTERS**

There are no pending confidentiality matters.

**XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

**XIV. RULINGS**

Opening statements, if any, shall not exceed five minutes per party.

Both FRF and FIPUG have objected to a witness being considered an expert witness unless the witness states the subject matter area(s) in which he or she claims expertise, and voir dire, if requested, is permitted. Section VI.A(8) of Order No. PSC-2018-0079-PCO-EI (OEP), issued on February 14, 2018, requires that a party identify each witness the party wishes to voir dire and specify the portions of the witness' testimony to which it objects. Since neither FIPUG nor FRF has complied with the OEP by naming witnesses whose expertise it wishes to challenge or identifying the witness testimony to which it objects, I find that neither FRF nor FIPUG shall be allowed to voir dire or challenge the expertise of any witness at the final hearing.

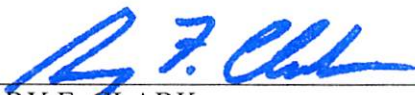
FIPUG has requested that two additional issues be included in this docket: "Are FPL's proposed solar projects prudent?" and "Are FPL's proposed solar projects needed?" FPL objects to the inclusion of these issues as inappropriate and outside of the scope of this proceeding. FPL argues that in Order No. PSC-16-0560-AS-EI, which approved FPL's 2016 Rate Settlement Agreement, we concluded that FPL's solar projects were in the public interest and eligible for a solar base rate adjustment (SoBRA) if three conditions are met: the costs are reasonable; the costs do not exceed \$1,750 per kWac; and the projects are cost-effective, i.e., lower the projected system cumulative present value revenue requirement (CPVRR) as compared to a CPVRR without the solar project. The 2016 Rate Settlement Agreement also specifically

states the issues for determination in this docket are limited to these "cost-effectiveness" issues. I agree that the terms of the 2016 Rate Settlement Agreement control and limit the issues regarding FPL's solar generation projects to these cost-effectiveness issues. I note that Issues 2P, 2Q, 2R and 2S specifically raise these cost-effectiveness issues for our consideration and ultimate determination. That being the case, I do not think it appropriate to include FIPUG's SoBRA prudence and need issues in this docket.

It is therefore,

ORDERED by Commissioner Gary F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 1st day of November, 2018.

  
\_\_\_\_\_  
GARY F. CLARK  
Commissioner and Prehearing Officer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.