

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Storm protection plan cost recovery
clause.

DOCKET NO. 20210010-EI
ORDER NO. PSC-2021-0324-FOF-EI
ISSUED: August 26, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA
GABRIELLA PASSIDOMO

FINAL ORDER APPROVING STORM COST RECOVERY
AMOUNTS AND RELATED TARIFFS AND ESTABLISHING
STORM COST RECOVERY FACTORS FOR THE PERIOD
JANUARY 2022 THROUGH DECEMBER 2022

APPEARANCES:

DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St. Petersburg, Florida 33701; MATTHEW R. BERNIER and STEPHANIE A. CUELLO, ESQUIRES, 106 East College Avenue, Suite 800, Tallahassee, Florida 32301
On behalf of Duke Energy Florida, LLC (DEF).

CHRISTOPHER T. WRIGHT and JASON A. HIGGINBOTHAM, ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420
On behalf of Florida Power & Light Company (FPL) and Gulf Power Company (GULF).

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

RICHARD GENTRY, CHARLES REHWINKEL, and MARY A. WESSLING, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399
On behalf of the Citizens of the State of Florida (OPC).

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

JAMES W. BREW and LAURA WYNN BAKER, 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).

PETER J. MATTHEIS and MICHAEL K. LAVANGA, ESQUIRES, Stone
Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor,
West Tower, Washington, DC 20007
On behalf of Nucor Steel Florida, Inc. (NUCOR).

STEPHANIE U. EATON, ESQUIRE, Spilman Thomas and Battle, PLLC, 110
Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103
On behalf of Walmart Inc. (WALMART).

SHAW P. STILLER, JENNIFER S. CRAWFORD, MARGO A. DUVAL, and
STEFANIE-JO OSBORN, 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-
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Advisor to the Florida Public Service Commission.

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

BY THE COMMISSION:

In 2019, the Florida Legislature enacted Section 366.96, Florida Statutes (F.S.), entitled “Storm protection plan cost recovery.” Pursuant to Subsection 366.96(7), F.S., the Commission must conduct an annual proceeding to determine a utility’s prudently incurred transmission and distribution storm protection plan costs and allow the utility to recover such costs through a charge separate and apart from its base rates, to be referred to as the storm protection plan cost recovery clause (SPPCRC).

The 2021 SPPCRC docket was opened January 4, 2021, with the following utilities as the original parties: Florida Power & Light Company (FPL); Duke Energy Florida, LLC (DEF);

Tampa Electric Company (TECO); Gulf Power Company (Gulf); and Florida Public Utilities Company (FPUC).¹ Walmart, Inc. (Walmart), Florida Industrial Power Users Group (FIPUG), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (White Springs), and Nucor Steel Florida, Inc. (Nucor) all subsequently filed for and were granted leave to intervene in this docket.² The Office of Public Counsel filed a notice of intervention, which was acknowledged on July 8, 2021.³ We have jurisdiction over this subject matter pursuant to the provisions of Chapter 366, F.S., including Sections 366.04, 366.05, and 366.06, F.S.

We conducted an administrative hearing in this docket on August 3, 2021. At the hearing, exhibits 1–36 on the Comprehensive Exhibit List were admitted into evidence without objection. The parties waived cross-examination and stipulated to the admission of the prefiled direct testimony of all witnesses. Pursuant to that stipulation, the testimony of the following witnesses was entered into the record as if read: Christopher A. Menendez, Sharon Bauer, Ron Adams, David Doss, and Brian Lloyd (DEF); Michael Jarro and Renae Deaton (FPL and Gulf); Mark R. Roche and David L. Plusquellic (TECO); and Lisa V. Perry (Walmart).

The parties waived post-hearing briefs and proposed for our consideration Type 2 stipulations⁴ as stated below on all issues identified in the Prehearing Order.⁵

DEF, FPL/Gulf, and TECO support the proposed stipulations on issues one through nine, and twelve. FIPUG, White Springs, NUCOR, and Walmart take no positions on these issues.

FPL/Gulf supports the proposed stipulations on issues ten and eleven. DEF, TECO, FIPUG, White Springs, NUCOR, and Walmart take no positions on these issues.

The OPC position on each Type 2 stipulation, one through twelve, is as follows:

OPC takes no position on these issues nor does it have the burden of proof related to them. As such, the OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the Company and another party or staff as a final resolution of the issue. No person is authorized to state that the OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court.

We accept and approve all Type 2 stipulations on the issues as reasonable and find they are supported by competent, substantial record evidence.

¹ FPUC did not file a petition seeking storm cost recovery and did not actively participate in this docket.

² See Order Nos. PSC-2021-0192-PCO-EI (FIPUG), PSC-2021-0193-PCO-EI (Walmart), and PSC-2021-0194-PCO-EI (White Springs), issued May 26, 2021; Order PSC-2021-0223-PCO-EI, issued June 18, 2021 (Nucor).

³ Order No. PSC-2021-0247-PCO-EI.

⁴ A Type 2 stipulation occurs on an issue when the utility and the staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to the Commission relying on the agreed language to resolve that issue in a final order.

⁵ Order No. PSC-2021-0290-PHO-EI, issued July 30, 2021.

Issue 1

We find that the final Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery true-up amounts for the period January 2020 through December 2020 are as follows:

DEF: \$0

FPL &
GULF: \$0

TECO: Under-recovery of \$4,996,136, including interest.

Issue 2

We find that the actual/estimated Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery true-up amounts for the period January 2021 through December 2021 are as follows:

DEF: Over-recovery of \$966,652.

FPL &
GULF: FPL's actual/estimated true-up amount, including interest, is an over-recovery of \$742,850. Gulf's actual/estimated true-up amount, including interest, is an over-recovery of \$974,333.

TECO: For the period January through December 2021, the total net true-up /over-recovery is \$443,115 including interest. Due to 2021 being the first year of cost recovery, the projected costs for 2020 were being recovered during the 2021 period. This resulted in an additional over-recovery amount during the period of \$990,560, including interest, which resulted in a total end of period true-up over-recovery of \$1,433,675 for 2021.

Issue 3

We find that the projected Storm Protection Plan Cost Recovery Clause jurisdictional cost recovery amounts for the period January 2022 through December 2022 are as follows:

DEF: \$105,270,501.

FPL &
GULF: FPL has requested that the Commission approve unified rates (FPL & Gulf) in Docket No. 20210015-EI. If the Commission approves this request, the total costs associated with the consolidated SPP programs projected to be incurred between January 1, 2022 and December 31, 2022, are \$234,663,632. If the Commission

does not approve unified rates, the total costs associated with the SPP programs projected to be incurred between January 1, 2022, and December 31, 2022, are \$215,055,700 for standalone FPL and \$19,568,582 for standalone Gulf.

TECO: \$49,354,329.

Issue 4

We find that the Storm Protection Plan Cost Recovery Clause total jurisdictional cost recovery amounts, including true-ups, to be included in establishing Storm Protection Plan Cost Recovery factors for the period January 2022 through December 2022 are as follows:

DEF: \$104,303,849.

FPL &
GULF:

FPL has requested that the Commission approve unified rates (FPL & Gulf) in Docket No. 20210015-EI. If the Commission approves this request, the total jurisdictional SPP costs for consolidated FPL are \$233,114,170, including prior period true-up amounts and revenue taxes. If the Commission does not approve unified rates, the total jurisdictional SPP costs are \$214,467,156 for standalone FPL and \$18,607,637 for standalone Gulf, including prior period true-up amounts and revenue taxes.

TECO: \$47,955,157 including current period estimated true-up.

Issue 5

We find that the depreciation rates to be used to develop the depreciation expense included in the total Storm Protection Plan Cost Recovery Clause amounts for the period January 2022 through December 2022 are as follows:

DEF: The depreciation rates approved in Order No. PSC-2021-0202A-AS-EI.

FPL &
GULF:

The depreciation rates used to calculate the depreciation expense will be the final depreciation rates approved by the Commission in Docket No. 20210015-EI in the 2022 actual/estimated and final true-up filings.

TECO: The depreciation rates approved in Order No. PSC-12-0175-PAA-EI.

Issue 6

We find that the appropriate jurisdictional separation factors for the projected period January 2022 through December 2022 are as follows:

DEF: DEF will apply the appropriate jurisdictional separation factors approved in Order No. PSC-2021-0202A-AS-EI, shown in the MFRs for 2022 in Exhibit 1:

Distribution: 1.0000000

Transmission: 0.7199434

Labor: 0.9541460

FPL &

GULF:

FPL has requested that the Commission approve unified rates (FPL & Gulf) in Docket No. 20210015-EI. If the Commission approves this request, the appropriate FPL consolidated jurisdictional separation factors for the period January 2022 through December 2022 are:

Consolidated FPL

Retail Jurisdictional Factors

a. Distribution Demand Jurisdictional Factor	1000.0000%
b. Transmission Demand Jurisdictional Factor	90.2581%
c. General & Intangible Plant Jurisdictional Factor	96.8984%

If the Commission does not approve unified rates, the appropriate jurisdictional separation factors for standalone FPL and standalone Gulf for the period January 2022 through December 2022 are:

Standalone FPL

Retail Jurisdictional Factors

a. Distribution Demand Jurisdictional Factor	1000.0000%
b. Transmission Demand Jurisdictional Factor	90.1706%
c. General & Intangible Plant Jurisdictional Factor	96.2686%

Consolidated Gulf

Retail Jurisdictional Factors

a. Distribution Demand Jurisdictional Factor	1000.0000%
b. Transmission Demand Jurisdictional Factor	97.4531%
c. General & Intangible Plant Jurisdictional Factor	99.7842%

TECO: The appropriate jurisdictional separation factors are as follows:

FPSC Jurisdictional Factor 92.5763%

FERC Jurisdictional Factor 7.4237%

Issue 7

We find that the appropriate Storm Protection Plan Cost Recovery Clause factors for the period January 2022 through December 2022 for each rate group are as follows:

DEF:	<u>Customer Class</u>	<u>SPPCRC Factor</u>
	Residential	0.329 cents/kWh
	General Service Non-Demand	0.277 cents/kWh
	@ Primary Voltage	0.274 cents/kWh
	@ Transmission Voltage	0.271 cents/kWh
	General Service 100% Load Factor	0.132 cents/kWh
	General Service Demand	0.69 \$/kW
	@ Primary Voltage	0.67 \$/kW
	@ Transmission Voltage	0.14 \$/kW
	Curtable	0.65 \$/kW
	@ Primary Voltage	0.64 \$/kW
	@ Transmission Voltage	0.64 \$/kW
	Interruptible	0.58 \$/kW
	@ Primary Voltage	0.44 \$/kW
	@ Transmission Voltage	0.11 \$/kW
	Standby Monthly	0.063 \$/kW
	@ Primary Voltage	0.062 \$/kW
	@ Transmission Voltage	0.062 \$/kW
	Standby Daily	0.030 \$/kW
	@ Primary Voltage	0.030 \$/kW
	@ Transmission Voltage	0.029 \$/kW
	Lighting	0.212 cents/kWh

FPL &
GULF:

FPL has requested that the Commission approve unified rates (FPL & Gulf) in Docket No. 20210015-EI. If the Commission approves this request, the appropriate FPL consolidated SPPCRC Factors for the period January 2022 through December 2022 are:

Consolidated FPL 2022 SPPCRC Factors

Rate Class	SPPCRC Factor (\$/kW)	SPPCRC Factor (\$/kWh)	RDC (\$/KW)	SDD (\$/KW)

RS1/RTR1		0.00214		
GS1/GST1		0.00202		
GSD1/GSDT1/HLFT1	0.64			
OS2		0.00600		
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.73			
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.69			
GSLD3/GSLDT3/CS3/CST3	0.07			
SST1T			0.09	0.04
SST1D1/SST1D2/SST1D3			0.09	0.04
CILC D/CILC G	0.69			
CILC T	0.08			
MET	0.66			
OL1/SL1/SL1M/PL1		0.00221		
SL2/SL2M/GSCU1		0.00136		

If Commission does not approve unified rates, the appropriate standalone FPL and standalone Gulf SPPCRC Factors for the period January 2022 through December 2022 are:

Standalone FPL 2022 SPPCRC Factors

Rate Class	SPPCRC Factor (\$/kW)	SPPCRC Factor (\$/kWh)	RDC (\$/KW)	SDD (\$/KW)
RS1/RTR1		0.00217		
GS1/GST1		0.00197		
GSD1/GSDT1/HLFT1	0.63			
OS2		0.00752		
GSLD1/GSLDT1/CS1/CST1/HLFT2	0.73			
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.66			
GSLD3/GSLDT3/CS3/CST3	0.06			
SST1T			0.09	0.04
SST1D1/SST1D2/SST1D3			0.09	0.04
CILC D/CILC G	0.70			
CILC T	0.06			
MET	0.64			
OL1/SL1/SL1M/PL1		0.00230		
SL2/SL2M/GSCU1		0.00136		

Standalone Gulf 2022 SPPCRC Factors

RATE CLASS	SPPCRC Factors (¢/kWh)	SPPCRC Factors (\$/kW)
RS, RSVP, RSTOU	0.212	
GS	0.209	
GSD, GSDT, GSTOU	0.145	0.46
LP, LPT		0.52
PX, PXT, RTP, SBS	0.112	
OS-I/II	0.099	

TECO: The January 2022 through December 2022 cost recovery clause factors utilizing the appropriate recognition of Federal Energy Regulatory Commission transmission jurisdictional separation, revenue tax factors and the rate design and cost allocation as put forth in Docket No. 20130040-EI are as follows:

<u>Rate Schedule</u>	<u>Cost Recovery Factors (cents per kWh)</u>
RS	0.291
GS and CS	0.292
GSD Optional – Secondary	0.197
GSD Optional – Primary	0.195
GSD Optional – Subtransmission	0.193
LS-1, LS-2	0.514

<u>Rate Schedule</u>	<u>Cost Recovery Factors (dollars per kW)</u>
GSD – Secondary	0.84
GSD – Primary	0.83
GSD – Subtransmission	0.82
SBF – Secondary	0.84
SBF – Primary	0.83
SBF – Subtransmission	0.82
IS - Primary	0.11
IS - Subtransmission	0.11

TECO has certain proposals pending in Docket No. 20210034-EI that may affect storm protection plan recovery charges and associated tariffs. The above cost recovery clause factors may be amended to reflect base rate revisions ordered by the Commission.

Issue 8

We find that the effective date of the new Storm Protection Plan Cost Recovery Clause factors for billing purposes is as follows:

DEF: The 2022 SPPCRC Factors will become effective for application to bills beginning the first billing cycle in January 2022 through the last billing cycle December 2022 and continuing until modified by subsequent order of this Commission.

FPL &
GULF: The 2022 SPPCRC Factors will become effective for application to bills beginning the first billing cycle in January 2022 through the last billing cycle December 2022 and continuing until modified by subsequent order of this Commission.

TECO: The 2022 SPPCRC Factors will become effective for application to bills beginning the first billing cycle in January 2022 through the last billing cycle December 2022 and continuing until modified by subsequent order of this Commission.

Issue 9

We approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors determined to be appropriate in this proceeding as follows:

DEF: DEF will submit revised tariffs reflecting the Storm Protection Plan Cost Recovery Clause factors that have been determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. Staff is granted administrative authority to approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors we have determined to be appropriate in this proceeding.

FPL &
GULF: FPL will submit revised tariffs reflecting the Storm Protection Plan Cost Recovery Clause factors that have been determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order. Staff is granted administrative authority to approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors we have determined to be appropriate in this proceeding.

TECO: TECO will submit revised tariffs reflecting the Storm Protection Plan Cost Recovery Clause factors that have been determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with this Order.

Staff is granted administrative authority to approve revised tariffs reflecting the new Storm Protection Plan Cost Recovery Clause factors we have determined to be appropriate in this proceeding.

Issue 10

If we decline to approve FPL's pending request for unified rates in Docket No. 20210015-EI, we find that the appropriate Storm Protection Plan Cost Recovery Clause factors for the period January 2022 through December 2022 to be as follows:

FPL &
GULF: Same as Issue 7.

Issue 11

The assumptions used to develop FPL's 2022 Storm Protection Plan Cost Recovery Clause factors we have approved in this proceeding shall be revised to reflect any changes or modifications we adopt in the 2021 Rate Case pending in Docket No. 20210015-EI as follows:

FPL &
GULF: In the event the we adopt any changes or modifications in the 2021 Rate Case pending in Docket No. 20210015-EI that impact or require adjustments to the consolidated, standalone FPL, or standalone Gulf 2022 SPPCRC jurisdictional amounts, FPL will include those impacts and adjustment in its 2022 actual/estimated and final true-up filings for our review and approval. FPL will have the burden in its 2022 actual/estimated and final true-up filings to demonstrate that any changes or modifications we adopt in the 2021 Rate Case that impact the 2022 SPPCRC jurisdictional amounts have been incorporated into the 2022 actual/estimated and final true-up filings.

Issue 12

Because this is a continuing docket, it shall remain open until a new docket number is assigned next year.

As a result of our decisions on these issues, we have adjudicated all issues associated with all parties to this docket. We grant our staff administrative authority to approve adjustments to the factors for each rate group (Issue 7) as necessary to reflect our final actions in Docket Nos. 20210015-EI and 20210034-EI.

Per stipulation of the parties, new storm cost recovery factors will become effective for application to bills beginning the first billing cycle in January 2022 through the last billing cycle December 2022 and continuing until modified by subsequent order of this Commission.

We hereby approve revised tariffs for DEF, FPL/Gulf, and TECO reflecting the storm cost recovery factors determined to be appropriate in this proceeding. We direct our staff to verify that the revised tariffs are consistent with our decision.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings herein are hereby approved. It is further

ORDERED that each utility that was a party to this docket shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that we hereby grant Commission staff administrative authority to approve adjustments to the storm cost recovery factors for each rate group as necessary to reflect our final actions in Docket Nos. 20210015-EI and 20210034-EI. It is further

ORDERED that Duke Energy Florida, LLC, Florida Power & Light Company, Gulf Power Company, and Tampa Electric Company are hereby authorized to apply the storm cost recovery factors set forth above during the period January 2022 through December 2022. It is further

ORDERED that the revised tariffs reflecting the storm cost recovery factors determined to be appropriate in this proceeding are hereby approved and we direct Commission staff to verify that the revised tariffs are consistent with our decision. It is further

ORDERED that the storm protection plan cost recovery clause is a continuing docket and shall remain open until a new docket number is assigned next year.

By ORDER of the Florida Public Service Commission this 26th day of August, 2021.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.