

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental cost recovery clause.

DOCKET NO. 20230007-EI  
ORDER NO. PSC-2023-0344-FOF-EI  
ISSUED: November 16, 2023

The following Commissioners participated in the disposition of this matter:

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

FINAL ORDER APPROVING PROJECTED EXPENDITURES AND TRUE-UP AMOUNTS  
FOR ENVIRONMENTAL COST RECOVERY

APPEARANCES:

MARIA JOSE MONCADA, WILLIAM COX, and JOEL BAKER, ESQUIRES,  
700 Universe Boulevard, Juno Beach, Florida 33408-2863  
On behalf of FLORIDA POWER & LIGHT COMPANY (FPL).

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

MALCOLM N. MEANS, J. JEFFRY WAHLEN, and VIRGINIA PONDER  
ESQUIRES, Post Office Box 391, Tallahassee, Florida 32302  
On behalf of TAMPA ELECTRIC COMPANY (TECO).

WALT TRIERWEILER, CHARLES REHWINKEL, PATRICIA A.  
CHRISTENSEN, MARY A. WESSLING, and OCTAVIO PONCE, ESQUIRES,  
111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400  
On behalf of OFFICE OF PUBLIC COUNSEL (OPC).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, 118 North Gadsden  
Street, Tallahassee, Florida 32312  
On behalf of FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG).

JACOB IMIG, TIMOTHY SPARKS, and CARLOS MARQUEZ II, 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, Attorney Supervisor, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850

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:

### BACKGROUND

As part of this Commission's continuing Environmental Cost Recovery Clause (ECRC) proceedings, a hearing was held in this docket on November 1, 2023. The ECRC proceeding allows investor owned electric utilities to seek recovery of their costs for approved environmental programs on an annual basis. We are vested with jurisdiction over the subject matter by the provisions of Section 366.8255, Florida Statutes (F.S.).

### DECISION

We approve the Type 2<sup>1</sup> stipulations for all issues as set forth below, as reasonable and supported by competent and substantial evidence. Duke Energy Florida, LLC (DEF), Florida Power & Light Company (FPL), Tampa Electric Company (TECO), and Commission staff supported the proposed stipulations. The Office of Public Counsel (OPC) took no positions on the issues. The OPC position on each Type 2 stipulation 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.

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<sup>1</sup> 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.

Florida Industrial Power Users Group (FIPUG), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate), and Nucor Steel Florida, Inc. (Nucor) have adopted the position of OPC on each Type 2 stipulation. PCS Phosphate and Nucor were excused from participating at the hearing

### **Generic Issues**

- 1: What are the final environmental cost recovery true-up amounts for the period January 2022 through December 2022?**

FPL	\$850,694	Under-recovery
DEF	\$309,443	Over-recovery
TECO	\$3,288,223	Over-recovery

- 2: What are the actual/estimated environmental cost recovery true-up amounts for the period January 2023 through December 2023?**

FPL	\$2,189,109	Over-recovery
DEF	\$3,091,285	Under-recovery
TECO	\$3,180,723	Over-recovery

- 3: What are the projected environmental cost recovery amounts for the period January 2024 through December 2024?**

FPL	\$379,441,334
DEF	\$14,785,647
TECO	\$23,585,023

- 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2024 through December 2024?**

FPL	\$378,102,918
DEF	\$17,567,489
TECO	\$17,128,401

- 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2024 through December 2024?**

The depreciation rates used by DEF to calculate depreciation expense shall be the rates that are in effect during the period the allowed capital investment is in

service. FPL will use the depreciation rates that are ultimately approved by the Commission in Docket No. 20210015-EI. Depreciation rates agreed to in TECO's 2021 Settlement Agreement were applied to TECO's 2024 projection.

**6: What are the appropriate jurisdictional separation factors for the projected period January 2024 through December 2024?**

The appropriate jurisdictional separation factors for the period January 2024 through December 2024 are as follows:

**FPL:** Retail Energy Jurisdictional Factor - Base/Solar 95.834918%  
Retail Energy Jurisdictional Factor - Intermediate 94.475106%  
Retail Energy Jurisdictional Factor - Peaking 95.727165%  
Retail Demand Jurisdictional Factor - Transmission 89.414285%  
Retail Demand Jurisdictional Factor - Base/Solar 96.092263%  
Retail Demand Jurisdictional Factor - Intermediate 95.452789%  
Retail Demand Jurisdictional Factor - Peaking 94.266255%  
Retail Demand Jurisdictional Factor - General Plant 97.044914%  
Retail Demand Jurisdictional Factor - Distribution 100.000000%

**DEF:** Transmission Average 12 CP Demand – 72.042%  
Distribution Primary Demand – 100.000%

Production Demand:  
Production Base – 97.403%  
Production Intermediate – 92.637%  
Production Peaking – 95.110%

**TECO:** Energy: 100.00%  
Demand: 100.00%

**7: What are the appropriate environmental cost recovery factors for the period January 2024 through December 2024 for each rate group?**

The appropriate environmental cost recovery factors for the period January 2024 through December 2024 for each rate group are as follows:

**FPL:**

<b>Rate Class</b>	<b>Environmental Cost Recovery Factor (cents/kWh)</b>
RS1/RTR1	0.332
GS1/GST1	0.304
GSD1/GSDT1/HLFT1/GSD1-EV	0.280
OS2	0.184
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.257
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.241
GSLD3/GSLDT3/CS3/CST3	0.224
SST1T	0.281
SST1D1/SST1D2/SST1D3	0.234
CILC D/CILC G	0.236
CILC T	0.209
MET	0.265
OL1/SL1/SL1M/PL1	0.046
SL2/SL2M/GSCU1	0.219
Total	0.303

**DEF:**

<b>RATE CLASS</b>	<b>ECRC FACTORS</b>
Residential	0.046 cents/kWh
General Service Non-Demand @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.044 cents/kWh 0.044 cents/kWh 0.043 cents/kWh
General Service 100% Load Factor	0.042 cents/kWh
General Service Demand @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.043 cents/kWh 0.043 cents/kWh 0.042 cents/kWh
Curtable @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.041 cents/kWh 0.041 cents/kWh 0.040 cents/kWh
Interruptible @ Secondary Voltage @ Primary Voltage @ Transmission Voltage	0.041 cents/kWh 0.041 cents/kWh 0.040 cents/kWh
Lighting	0.037 cents/kWh

**TECO:**

<b>Rate Class</b>	<b>Factors by Voltage Level (cents/kWh)</b>
RS Secondary	0.089
GS, CS Secondary	0.084
GSD/GSDT, SBD/SBDT, GSD Optional	
Secondary	0.081
Primary	0.080
Transmission	0.080
GSLDPR/GSLDTPR/SBLDPR/SBLDTPR	0.071
GSLDSU/GSLDTSU/SBLDPR/SBLDTPR	0.074
LS1, LS2	0.060
Total	0.084

**8: What should be the effective date of the new environmental cost recovery factors for billing purposes?**

The factors shall be effective beginning with the specified environmental cost recovery cycle and thereafter for the period January 2024 through December 2024. Billing cycles may start before January 1, 2024 and the last cycle may read after December 31, 2024, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. These charges will continue in effect until modified by the Commission.

**9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?**

Yes. The Commission shall approve revised tariffs reflecting the environmental cost recovery factors determined to be appropriate in this proceeding. Staff shall verify that the revised tariffs are consistent with the Commission's decision.

**10: Should this docket be closed?**

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

**Company-Specific Environmental Cost Recovery Issues**

**Florida Power & Light Company:**

**11: Should FPL be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed modification to its St. Lucie Turtle Nets Project?**

In Order No. PSC-02-1421-PAA-EI, the Commission approved cost recovery of FPL's St. Lucie Turtle Nets Project through the ECRC. The proposed modifications to the St. Lucie Turtle Nets Project relate to costs necessary to satisfy additional compliance requirements. These modifications meet the criteria for recovery through the ECRC and the associated costs shall be approved.

**12: Should FPL be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed modification to its Solar Site Avian Monitoring and Reporting Project?**

In Order No. PSC-2018-0594-FOF-EI, the Commission approved cost recovery of FPL's Solar Site Avian Monitoring and Reporting Project through the ECRC. The proposed modifications to the Solar Site Avian Monitoring and Reporting Project relate to post-construction avian monitoring costs at an additional solar site. These modifications meet the criteria for recovery through the ECRC and the associated costs shall be approved.

**Duke Energy Florida, LLC:**

**13: Should the Commission approve DEF's Reclaimed Water Interconnection Project for cost recovery through the ECRC?**

In accordance with Section 366.8255, Florida Statutes, and Order No. PSC-94-0044-FOF-EI, DEF shall be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed Reclaimed Water Interconnection Project. DEF expects to incur an estimated \$260,000 of capital costs in 2024 related to preliminary engineering and design of the new treatment system and piping appurtenance.

**14: How should the approved costs related to DEF's Reclaimed Water Interconnection Project be allocated to the rate classes?**

Operation and maintenance costs associated with DEF's Reclaimed Water Interconnection Project should be allocated to rate classes on an energy basis, and capital costs should be allocated to rate classes on a demand basis.

**15: Should the Commission approve DEF's Lead and Copper Rule Project for cost recovery through the ECRC?**

In accordance with Section 366.8255, Florida Statutes, and Order No. PSC-94-0044-FOF-EI, DEF shall be allowed to recover, through the ECRC, prudently incurred costs associated with its proposed Lead and Copper Rule Project. DEF expects to incur an estimated \$30,000 of operation and maintenance costs in 2024 to conduct the lead service line inventory and prepare the inspection report for agency submittal.

**16: How should the approved costs related to DEF's Lead and Copper Rule Project be allocated to the rate classes?**

Operation and maintenance and capital costs associated with DEF's Lead and Copper Rule Project should be allocated to rate classes on a demand basis.



Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations and findings set forth in the body of this order are hereby approved. It is further

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

ORDERED that the utilities named herein are authorized to collect the environmental cost recovery amounts and use the factors approved herein beginning with the first billing cycle for 2024. The first billing cycle may start before January 1, 2024, and thereafter, the environmental cost recovery factors shall remain in effect until modified by this Commission. It is further

ORDERED that the Environmental Cost Recovery Clause docket is an on-going docket and shall remain open.

By ORDER of the Florida Public Service Commission this 16th day of November, 2023.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
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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.

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.