

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20240001-EI  
ORDER NO. PSC-2024-0099-FOF-EI  
ISSUED: April 17, 2024

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING FLORIDA POWER & LIGHT COMPANY'S  
NUCLEAR REPLACEMENT POWER COSTS

APPEARANCES:

MARIA JOSE MONCADA and DAVID M. LEE, ESQUIRES, Florida Power &  
Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408-0420  
On behalf of Florida Power & Light Company (FPL)

WALT TRIERWEILER, 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)

SUZANNE BROWNLESS and RYAN SANDY, 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 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

The issues considered in this proceeding were deferred from the 2023 Fuel Clause docket and are associated with nuclear power plant outages that occurred at Florida Power & Light Company's (FPL) St. Lucie Units 1 and 2 and Turkey Point Units 3 and 4 between 2020 and 2022. A hearing was conducted on March 26, 2024.

Four parties had standing to participate in this proceeding: FPL, Office of Public Counsel (OPC), Florida Industrial Power Users Group (FIPUG) and Florida Retail Federation (FRF). The other parties to this docket that were without standing to participate in this proceeding are the other investor-owned electric utilities: Tampa Electric Company; Duke Energy Florida, LLC; Florida Public Utilities Company; Nucor; and PCS Phosphate.

FPL and OPC have agreed to stipulations on all the issues raised in this proceeding. FRF and FIPUG have also stated that they take no position on the issues raised in this proceeding and requested to be excused from the March 26 final hearing. FRF's and FIPUG's requests for excusal from the March 26 hearing were granted by Order No. PSC-2024-0075-PHO-EI, issued March 21, 2024.

Given these facts, on March 8, 2024, FPL filed an Unopposed Motion to Stay Rebuttal Testimony Deadline (Motion). In its Motion, FPL requested that the filing date for its rebuttal testimony, March 12, be stayed and that these stipulations be voted upon by the full Commission at the March 26 hearing. FPL's Motion was granted by Order No. PSC-2024-0062-PCO-EI, issued March 11, 2024. FRF filed a Prehearing Statement on March 11, 2024. FPL, OPC, and FIPUG filed Prehearing Statements on March 12, 2024.

At the March 26 final hearing, the prefiled testimonies of Daniel DeBoer and Joel Gebbie on behalf of FPL, Richard A. Polich on behalf of OPC, and Carl Vinson and Tom Ballinger on behalf of the Commission staff were admitted into the record as though read. Exhibit Nos. 1-22 were also admitted into the record.

We have jurisdiction over the subject matter of this proceeding by the provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

Decision

The issues and stipulations<sup>1</sup> agreed to by OPC and FPL are as follows:

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<sup>1</sup> With regard to FRF and FIPUG, these stipulations are Type 2 stipulations. A Type 2 stipulation occurs on an issue when the utility and 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 us relying on the agreed language to resolve that issue in a final order.

ISSUE 1: What adjustment should be made with respect to replacement power costs associated with any unplanned outages that occurred at Turkey Point or St. Lucie during the calendar years 2020, 2021, and 2022?

Stipulation: FPL shall credit customers \$5 million, inclusive of interest, through the fuel clause. The credit shall be included in the calculation of FPL's fuel factors the next time the fuel factors are reset. The prudence of, and replacement power cost calculations associated with, all forced or unplanned outages or down power events at the Turkey Point and St. Lucie nuclear facilities which occurred during the calendar years 2020, 2021, and 2022 are hereby fully resolved and shall not be subject to further challenge or litigation in the future.

ISSUE 2: Should FPL be subject to a follow up nuclear operations and management audit covering the 2024 to 2029 time period?

Stipulation: Yes, a follow up audit may be conducted no earlier than 2030.

These stipulations are the result of negotiations between OPC and FPL and benefit FPL's customers in several ways. First, \$5 million in replacement power costs associated with outages that occurred at FPL's nuclear power plants between 2020 and 2022 will be refunded to FPL's customers via FPL's proposed March 2024 Mid-Course Correction. This adjustment is consistent with the findings in the Commission staff's audit that outages at Turkey Point Units 3 and 4 increased significantly during the period from 2019 to 2020, as well as at Port St. Lucie Units 1 and 2 during the period 2020 to 2021. Commission staff's audit also found that FPL's management instituted performance improvement efforts that provided positive results in operational effectiveness at all nuclear units commencing in 2021. Second, nuclear power provides cost effective, carbon neutral power resulting in rates that are the lowest in Florida. Efficiently managing its nuclear units for operation at full permitted capacity results in a direct cost benefit to all FPL customers. Third, productive nuclear power plant operations and management require constant attention to maintain the level of service necessary to provide reliable electricity at reasonable prices. The ability of OPC to do an operations and management audit in 2030 will ensure that FPL continues to meet and improve its high nuclear power plant operational standards.

Therefore, for the reasons stated above, we hereby approve the above stipulations. The stipulations having been approved, there are no further matters to be decided in this proceeding and this proceeding is concluded.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the above-stated stipulations are hereby approved effective as of the date of this order. It is further

ORDERED that the Fuel and Purchased Power Cost Recovery Clause docket is an ongoing docket and shall remain open.

By ORDER of the Florida Public Service Commission this 17th day of April, 2024.



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ADAM J. TEITZMAN  
Commission Clerk  
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.

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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.