

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-2024-0465-PHO-EI
ISSUED: October 31, 2024

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 24, 2024, in Tallahassee, Florida, before Commissioner Gabriella Passidomo, as Prehearing Officer.

APPEARANCES:

MATTHEW BERNIER, and STEPHANIE CUELLO, ESQUIRES, 106 East College Avenue, Suite 800, 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 JOSE MONCADA, WILLIAM P. COX, 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).

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).

MALCOLM N. MEANS, J. JEFFRY WAHLEN, and VIRGINIA PONDER, ESQUIRES, Ausley McMullen, Post Office Box 391, Tallahassee, Florida 32302
On behalf of Tampa Electric Company (TECO).

WALT TRIERWEILER, CHARLES REHWINKEL, PATRICIA A. CHRISTENSEN, MARY WESSLING, OCTAVIO SIMOES-PONCE, and AUSTIN WATROUS, 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 A. 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, Dee, LaVia, Wright, Perry, and Harper, PA., 1300 Thomaswood Drive, Tallahassee, Florida 32308
On behalf of Florida Retail Federation (FRF).

JAMES W. BREW, LAURA WYNN BAKER, and SARAH B. NEWMAN, 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, MICHAEL K. LAVANGA, and JOSEPH R. BRISCAR, 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).

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.

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, 2024. 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, Chapter 120, F.S., 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>		
+Gary P. Dean	DEF	1B-1C, 5-10, 16-20, 21A, and 24-32
+Adam R. Bingham	DEF	14 and 15
+James (“Jim”) McClay	DEF	1A
+Amin Mohomed	FPL	2E, 2H, 7-10, 16-20, 22A
+Michael V. Cashman	FPL	2A-2D, 2F, 5-10
+Daniel DeBoer	FPL	10
+Charles Rote	FPL	14, 15
+Kelly Fagan	FPL	2G
+Andrew W. Whitley	FPL	2G
+Edward J. Anderson	FPL	2I, 2J
+Brittnee Baker*	FPUC	7
+Brittnee Baker	FPUC	8, 9, 10, 16, 17, 18, 19, 20, 31,32,33
+P. Mark Cutshaw	FPUC	9, 10
+Zel D. Jones	TECO	5-10, 16-20, 24-30, 31-33
+Elena B. Vance	TECO	14, 15
+Benjamin F. Smith	TECO	28
+John C. Heisey	TECO	4A, 4B, 16

* Adopting the testimony of Phuong T. Nguyen.

+ These witnesses have been excused from attending the final hearing.

VII. BASIC POSITIONS

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

FPL: FPL's 2025 Fuel and Purchased Power Cost Recovery factors and Capacity Cost Recovery factors are appropriate and reasonable and should be approved. FPL's proposed FCR factors for the period January 2025 through December 2025 reflect the recovery of projected total net fuel costs of \$3,431,589,874. This amount includes an estimated 2024 net true-up, the Generating Performance Incentive Factor ("GPIF") reward, FPL's 2025 projected fuel costs, FPL's portion of the 2023 Jurisdictional Asset Optimization Gains, and the projected 2025 FPL SolarTogether Credit. FPL's proposed CCR factors for the period January 2025 through December 2025 reflect the recovery of projected total net capacity costs of \$117,186,652. This amount includes the 2023 final true-up, the 2024 actual/estimated under-recovery, FPL's 2025 projected fuel costs, and a revenue requirement reduction to reflect incremental tax savings (for 2025) stemming from the Inflation Reduction Act. In addition, FPL's 2025 Risk Management Plan and GPIF targets and ranges are reasonable and should be approved.

FPL's request for a Solar Base Rate Adjustment ("SoBRA") to be effective 2025, satisfies the requirements set forth in Order No. PSC-2021-0446-S-EI (the "2021 Rate Settlement" or "Settlement"), and should therefore be approved. FPL will place 894 MW¹ of solar generation into service in 2025 (the "2025 Project"), which is projected to save FPL customers approximately \$911 million on a cumulative present value of revenue requirements ("CPVRR") basis. In addition, FPL's costs are reasonable, and it is limiting the amount of construction costs to be recovered through the SoBRA to \$1,159 per kW in accordance with the "Adjusted Cap" prescribed by the Settlement. Finally, the revenue requirement of \$61.087 million and SoBRA factor of 0.667% are calculated in accordance with the terms approved in the 2021 Rate Settlement. Accordingly, the Commission should approve the proposed tariff rates reflecting the requested base rate percentage increase for the 2025 SoBRA.

FPUC: The Commission should approve Florida Public Utilities Company's final net true-up for the period January through December 2023, the estimated true-up for the period January through December 2024, and the purchase power cost recovery factors for the period January through December 2025, until subsequently revised by the Commission.

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 3.083 cents per kWh before any application of time of use multipliers for on-peak or off-peak or super off-peak

¹ All capacity references for the 2025 Project are measured in alternating current.

usage for the period January 2025 through May 2025 and the proposed fuel adjustment factor of 3.391 cents per kWh before any application of time of use multipliers for on-peak or off-peak or super off-peak usage for the period June 2025 through December 2025; the company's proposed capacity factor for the period January through December 2025; a GPIF reward of \$1,830,750 for performance during 2023 and the company's proposed GPIF targets and ranges for 2025.

OPC: The utilities bear the burden of proof to justify the recovery of costs they request in this docket and must carry this burden regardless of whether or not the Interveners provide evidence to the contrary. Further, the utilities bear the burden of proof to support their proposal(s) seeking the Commission's adoption of policy statements (whether new or changed) or other affirmative relief sought. Even if the Commission has previously approved a program, recovery of a cost, factor, or adjustment as meeting the Commission's own requirements, the utilities still bear the burden of demonstrating that the costs submitted for final recovery meet any statutory test(s) and are reasonable in amount and prudently incurred. Further, recovery of all costs is constrained by the Commission's obligation to set fair, just, and reasonable rates, based on projects that are prudent in purpose and scope and costs that are prudently incurred pursuant to Section 366.01, Florida Statutes. Additionally, the provisions of Chapter 366 must be liberally construed to protect the public welfare.

FIPUG: The utilities bear the burden of proof to justify the recovery of costs they request in this docket as reasonable and prudent. The utilities must carry this burden regardless of whether or not FIPUG or other parties introduce evidence to the contrary. The utilities must also carry their burden of proof to support their proposal(s) asking the Commission's adoption of policy statements (whether new or changed) or other affirmative relief sought.

FRF: The Commission's task in the Fuel Docket, as in all ratemaking proceedings, is to ensure that the rates charged by Florida public utilities are fair, just, reasonable, non-discriminatory, and neither insufficient nor excessive. In this context, Florida public utilities are only allowed to recover reasonable and prudent costs that are fully authorized by Florida Statutes, Commission rules, and Commission orders through their Fuel Cost Recovery and Capacity Cost Recovery charges (collectively herein, "Fuel Charges"). The utilities bear the burden of proof that their proposed Fuel Charges satisfy the statutory criteria articulated above.

PCS

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

NUCOR: Nucor's basic position is that Duke Energy Florida, LLC ("DEF") bears the burden of proof to justify the costs it seeks to recover through the fuel clause and capacity cost recovery clause and any other relief DEF requests in this proceeding. Fuel expense makes up a large portion of DEF's revenues and therefore a large portion of the charges passed onto customers. The Commission should carefully review DEF's fuel costs to ensure that they were reasonably and prudently incurred.

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 stated herein.

VIII. ISSUES AND POSITIONS

I. COMPANY-SPECIFIC FUEL ISSUES

Duke Energy Florida, LLC

ISSUE 1A: Should the Commission approve DEF's 2025 Risk Management Plan?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2025?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 1C: What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-2023-0191-TRF-EI, to be included in the fuel clause in 2025?

Stipulation: See Section X, Proposed Stipulations.

Florida Power & Light Company

ISSUE 2A: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL may recover for the period January 2023 through December 2023, and how should that gain to be shared between FPL and its customers?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 2B: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2023 through December 2023?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 2C: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 2E: What is the appropriate subscription credit associated with FPL's SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2025?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

DEF: No position.

FPL: Resolution of this issue and associated discovery should be deferred to 2026.

FPUC: No position.

TECO: No position.

OPC: Resolution of this issue should be deferred to 2026.

FIPUG: Defer the resolution of this issue to a later hearing.

FRF: The FRF supports deferring the resolution of this issue to a later hearing.

PCS

Phosphate: No position.

NUCOR: No position.

STAFF: Defer this issue to a later hearing.

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

DEF: No position.

FPL: Resolution of this issue and associated discovery should be deferred to 2026.

FPUC: No position.

TECO: No position.

OPC: Resolution of this issue should be deferred until 2026.

FIPUG: Defer this issue to a later hearing.

FRF: The FRF supports deferring the resolution of this issue to a later hearing.

PCS

Phosphate: No position.

NUCOR: No position.

STAFF: Defer this issue to a later hearing.

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

DEF: No position.

FPL: Resolution of this issue and associated discovery should be deferred to 2026.

FPUC: No position.

TECO: No position.

OPC: Resolution of this issue should be deferred until 2026.

FIPUG: Defer this issue to a later hearing.

FRF: The FRF supports deferring the resolution of this issue to a later hearing.

PCS

Phosphate: No position.

NUCOR: No position.

STAFF: Defer this issue to a later hearing.

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

DEF: No position.

FPL: Resolution of this issue and associated discovery should be deferred to 2026.

FPUC: No position.

TECO: No position.

OPC: Resolution of this issue should be deferred until 2026.

FIPUG: Defer this issue to a later hearing.

FRF: The FRF supports deferring the resolution of this issue to a later hearing.

PCS

Phosphate: No position.

NUCOR: No position.

STAFF: Defer this issue to a later hearing.

Florida Public Utilities Company

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 3A, 3B, 3C, and so forth, as appropriate.

Tampa Electric Company

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2024 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2025 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2023 through December 2023?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC

No company-specific GPIF issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 11A, 11B, 11C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Tampa Electric Company

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2025 through December 2025 for each investor-owned electric utility subject to the GPIF?

Stipulation: See Section X, Proposed Stipulations.

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2025 through December 2025?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 17: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2025 through December 2025?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

ISSUE 19: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

Stipulation: See Section X, Proposed Stipulations.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC

ISSUE 21A: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement for 2025?

Stipulation: See Section X, Proposed Stipulations.

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 22A, 22B, 22C, and so forth, as appropriate.

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 23A, 23B, 23C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2023 through December 2023?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2025 through December 2025?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2025 through December 2025?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2025 through December 2025?

Stipulation: See Section X, Proposed Stipulations.

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

Stipulation: See Section X, Proposed Stipulations.

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

Stipulation: See Section X, Proposed Stipulations.

ISSUE 33: Should this docket be closed?

Stipulation: See Section X, Proposed Stipulations.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
	<u>Direct</u>		
Gary Dean	DEF	(GPT-1T)	Fuel Cost Recovery True-Up (Jan. –Dec. 2023)
Gary Dean	DEF	(GPD-2T)	Capacity Cost Recovery True-Up (Jan. – Dec. 2023)
Gary Dean	DEF	(GPD-3T)	Schedules A1 through A3, A6 and A12 for Dec. 2023
Gary Dean	DEF	(GPD-4T)	2023 Capital Structure and Cost Rates Applied to Capital Projects

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Gary Dean	DEF	(GPD-5T)	Annual Clean Energy Impact Program report
Gary Dean	DEF	(GPD-2)	Actual/Estimated True-up Schedules for period January-December 2024
Gary Dean	DEF	(GPD-3)	Projection Factors for January –December 2025
Adam R. Bingham	DEF	(ARB-1T)	Calculation of GPIF Reward for January –December 2023
Adam R. Bingham	DEF	(ARB-1P)	GPIF Targets/Ranges Schedules for January – December 2025
James (“Jim”) McClay	DEF	(JM-1P)	2025 Risk Management Plan CONFIDENTIAL
Amin Mohomed	FPL	(AM-1)	2023 FCR Final True-Up
Amin Mohomed	FPL	(AM-2)	2023 CCR Final True-Up CONFIDENTIAL
Amin Mohomed	FPL	(AM-3)	2024 FCR Actual Estimated
Amin Mohomed	FPL	(AM-4)	2024 CCR Actual Estimated
Amin Mohomed	FPL	(AM-5)	2025 FCR Projections (January –December Not Including SoBRA Fuel Savings)
Amin Mohomed	FPL	(AM-6)	2025 FCR Projections (February –December Including SoBRA Fuel Savings)
Amin Mohomed	FPL	(AM-7)	2025 FCR Projections (January –December Including SoBRA Fuel Savings)
Amin Mohomed	FPL	(AM-8)	2025 CCR Projections CONFIDENTIAL

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Amin Mohomed	FPL	(AM-9)	2025 SoBRA Revenue Requirement Calculation
Michael V. Cashman	FPL	(GJY-1)	2023 Asset Optimization Program Results CONFIDENTIAL
Michael V. Cashman	FPL	(MVC-1)	2025 Projected Dispatch Costs and Availability
Michael V. Cashman	FPL	(MVC-2)	2025 Risk Management Plan CONFIDENTIAL
Charles R. Rote	FPL	(CRR-1)	2023 GPIF Results (errata filed Sept. 4)
Charles R. Rote	FPL	(CRR-2)	Generating Performance Incentive Factor
Charles R. Rote	FPL	(CRR-3)	2023 Revised GPIF Targets
Charles R. Rote	FPL	(CRR-4)	2024 Revised GPIF Targets
Kelly Fagan	FPL	(KF-1)	List of FPL Solar Energy Centers in Service
Kelly Fagan	FPL	(KF-2)	FPL 2025 Solar Energy Center Maps
Kelly Fagan	FPL	(KF-3)	Typical Solar Energy Center Block Diagram
Kelly Fagan	FPL	(KF-4)	Specifications for 2025 Solar Energy Centers
Kelly Fagan	FPL	(KF-5)	Construction Schedules for the 2025 Solar Energy Centers
Kelly Fagan	FPL	(KF-6)	Capital Cost Table (errata filed Sept. 5)
Kelly Fagan	FPL	(KF-7)	Cost Increase Waterfall
Andrew W. Whitley	FPL	(AWW-1)	Load Forecast
Andrew W. Whitley	FPL	(AWW-2)	FPL Fuel Price Forecast
Andrew W. Whitley	FPL	(AWW-3)	FPL Resource Plans

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	(AWW-4)	CPVRR – Costs and (Benefits)
Andrew W. Whitley	FPL	(AWW-5)	Yearly PTC Impact
Andrew W. Whitley	FPL	(AWW-6)	Avoided Natural Gas
Andrew W. Whitley	FPL	(AWW-7)	Avoided Air Emissions
Edward J. Anderson	FPL	(EJA-1)	2025 SoBRA Factor Calculation
Edward J. Anderson	FPL	(EJA-2)	Typical Bill Projections
Phuong T. Nguyen*	FPUC	(PTN-1)	Final True Up Schedules (Schedules A, C1 and E1-B for FPUC’s Divisions)
Brittnee Baker	FPUC	(BB-1)	Estimated/Actual (Schedules E1-A, E1-B, and E1-B1) Revised September 5, 2024
Brittnee Baker	FPUC	(BB-2)	Schedules E1, E1A, E2, E7, E8, E10 and Schedule A
Zel D. Jones	TECO	(ZDJ-1)	Final True-Up Capacity Cost Recovery -January 2023-December 2023; Final True-Up Fuel Cost Recovery – January 2023-December 2023; Actual Fuel True-up Compared to Original Estimates January 2023 – December 2023 ; Schedules A-1, A-2, A-6 through A-9, and A-12 January 2023 –December 2023

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Zel D. Jones	TECO	(ZDJ-2)	Actual/Estimated True-Up Fuel Cost Recovery, January 2024 –December 2024; Actual/Estimated True-Up Capacity Cost Recovery January –December 2024
Zel D. Jones	TECO	(ZDJ-3)	Projected Capacity Cost Recovery January – December 2025; Projected Fuel Cost Recovery January – December 2025; Levelized and Tiered Fuel Rate – January –December 2025
Elena B. Vance	TECO	(EBV-1)	Final True-Up Generating Performance Incentive Factor January – December 2023; Actual Unit Performance Data January – December 2023
Elena B. Vance	TECO	(EBV-2)	Generating Performance Incentive Factor January – December 2025; Summary of Generating Performance Incentive Factor Targets January to December 2025
John C. Heisey	TECO	(JCH-1)	Optimization Mechanism Results January – December 2023
John C. Heisey	TECO	(JCH-2)	Risk Management Plan January – December 2025

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

X. PROPOSED STIPULATIONS

The proposed stipulations are listed in Attachment A to this order.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

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, 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 three minutes per party.

It is therefore,

ORDERED by Commissioner Gabriella Passidomo, 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 Gabriella Passidomo, as Prehearing Officer, this 31st day of October, 2024.



Gabriella Passidomo
Commissioner and Prehearing Officer
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.

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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.

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.
ISSUED:

PROPOSED STIPULATIONS

The following issues are proposed as Type 2² stipulations in this proceeding:³

I. COMPANY-SPECIFIC FUEL ISSUES

Duke Energy Florida, LLC.

ISSUE 1A: Should the Commission approve DEF's 2025 Risk Management Plan?

Stipulation: Yes. Approve DEF's 2025 Risk Management Plan without financial hedging.

ISSUE 1B: What is the appropriate subscription bill credit associated with DEF's Clean Energy Connection Program, approved by Order No. PSC-2021-0059-S-EI, to be included for recovery in 2025?

Stipulation: \$70,932,763.

ISSUE 1C: What is the appropriate Clean Energy Impact (CEI) credit, approved by Order No. PSC-2023-0191-TRF-EI, to be included in the fuel clause in 2025?

Stipulation: (\$248,300).

Florida Power & Light Company

ISSUE 2A: What was the total gain under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL may recover for the period January 2023 through December 2023, and how should that gain to be shared between FPL and its customers?

² 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 the Commission relying on the agreed language to resolve that issue in a final order.

³ The OPC, FRF, PCS Phosphate, Nucor and FIPUG position on each Type 2 stipulation stated herein is as follows:
The OPC, FRF, PCS Phosphate, Nucor and FIPUG take no position on these issues nor do they have the burden of proof related to them. As such, the OPC, FRF, PCS Phosphate, Nucor and FIPUG represent that they 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 these issues. No person is authorized to state that the OPC, FRF, PCS Phosphate, Nucor or FIPUG 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.

Stipulation: Total gain was \$123,207,265. Customer distribution - \$77,103,632, FPL distribution - \$46,103,632.

ISSUE 2B: What is the appropriate amount of Incremental Optimization Costs under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for Personnel, Software, and Hardware costs for the period January 2023 through December 2023?

Stipulation: \$517,530.

ISSUE 2C: What is the appropriate amount of Variable Power Plant O&M Attributable to Off-System Sales under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

Stipulation: \$1,603,947.

ISSUE 2D: What is the appropriate amount of Variable Power Plant O&M Avoided due to Economy Purchases under FPL's Incentive Mechanism approved by Order No. PSC-2021-0446A-S-EI that FPL should be allowed to recover through the fuel clause for the period January 2023 through December 2023?

Stipulation: (\$76,763).

ISSUE 2E: What is the appropriate subscription credit associated with FPL's SolarTogether Program approved by Order No. PSC-2020-0084-S-EI, to be included for recovery in 2025?

Stipulation: \$245,377,980.

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

Stipulation: Yes. Approve FPL's 2025 Risk Management Plan without financial hedging.

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

Stipulation: Yes.

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

Stipulation: \$61,087,293

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

Stipulation: 0.667%.

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

Stipulation: Yes.

Florida Public Utilities Company

No company-specific fuel issues for Florida Public Utilities Company have been identified at this time. If such issues are identified, they shall be numbered 3A, 3B, 3C, and so forth, as appropriate.

Tampa Electric Company

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

Stipulation: Total gain was \$10,045,377. Customer distribution - \$6,922,689, TECO distribution - \$3,122,688.

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

Stipulation: Approve TECO's 2025 Risk Management Plan without financial hedging.

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 5: What are the appropriate actual benchmark levels for calendar year 2024 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation: DEF: \$3,806,475.

ISSUE 6: What are the appropriate estimated benchmark levels for calendar year 2025 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

Stipulation: *Drop Issue. There are no participating utilities operating under this incentive methodology in 2025.*

ISSUE 7: What are the appropriate final fuel adjustment true-up amounts for the period January 2023 through December 2023?

Stipulations:

DEF: Under-recovery of \$19,202,150 (collected through its 2024 Mid-Course Correction as per Order No. PSC-2024-0171-PCO-EI).⁴

FPL: \$0 (actual 2023 fuel cost true-up over-recovery of \$37,290,272 was returned through its 2024 Mid-Course Correction as per Order No. PSC-2024-0091-PCO-EI).⁵

FPUC: Over-recovery of \$1,633,921.

TECO: Over-recovery of \$30,397,837 (returned through its 2024 Mid-Course Correction as per Order No. PSC-2024-0172-PCO-EI).⁶

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

Stipulations:

DEF: Over-recovery of \$163,946,191.

FPL: Under-recovery of \$19,030,441.

FPUC: Over-recovery of \$3,060,756.

TECO: Over-recovery of \$63,853,334.

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

Stipulations:

DEF: Over-recovery of \$8,537,789.

FPL: Under-recovery of \$19,030,441.

FPUC: Over-recovery of \$4,694,677.

⁴Order No. PSC-2024-0171-PCO-EI, issued May 24, 2024, in Docket No. 20240001-EI, In re: *Fuel and purchased power cost recovery clause with generating performance incentive factor*.

⁵Order No. PSC-2024-0091-PCO-EI, issued April 10, 2024, in Docket No. 20240001-EI, In re: *Fuel and purchased power cost recovery clause with generating performance incentive factor*.

⁶Order No. PSC-2024-0172-PCO-EI, issued May 24, 2024, in Docket No. 20240001-EI, In re: *Fuel and purchased power cost recovery clause with generating performance incentive factor*.

TECO: Over-recovery of \$28,431,329.

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

Stipulations:

DEF: \$1,535,664,540.

FPL: \$3,112,084,981.

FPUC: \$52,050,622.

TECO: \$694,330,891.

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

Duke Energy Florida, LLC.

No company-specific GPIF issues for Duke Energy Florida, Inc. have been identified at this time. If such issues are identified, they shall be numbered 11A, 11B, 11C, and so forth, as appropriate.

Florida Power & Light Company

No company-specific GPIF issues for Florida Power and Light Company have been identified at this time. If such issues are identified, they shall be numbered 12A, 12B, 12C, and so forth, as appropriate.

Tampa Electric Company

No company-specific GPIF issues for Tampa Electric Company have been identified at this time. If such issues are identified, they shall be numbered 13A, 13B, 13C, and so forth, as appropriate.

GENERIC GPIF ISSUES

ISSUE 14: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2023 through December 2023 for each investor-owned electric utility subject to the GPIF?

Stipulations:

DEF: A reward of \$1,603,057.

FPL: A reward of \$11,145,919.

TECO: A reward of \$1,830,750.

ISSUE 15: What should the GPIF targets/ranges be for the period January 2025 through December 2025 for each investor-owned electric utility subject to the GPIF?

Stipulations:

DEF:

**Table 15-1
 GPIF Targets/Ranges for the period January-December, 2025**

	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	90.43	93.25	1,532	7,557	7,758	5,227
	Citrus County 1	78.33	79.37	857	6,866	6,967	2,083
	Citrus County 2	91.14	91.70	8	6,783	6,870	2,096
	Crystal River 5	82.52	88.81	4,193	10,328	10,927	5,908
	Hines 1	96.14	97.95	436	7,449	7,578	1,231
	Hines 2	82.06	83.79	109	7,831	8,111	2,412
	Hines 3	95.21	97.45	350	7,177	7,283	1,016
	Hines 4	77.29	80.59	424	7,158	7,287	1,326
	Osprey 1	85.26	87.16	<u>203</u>	7,223	7,508	<u>2,631</u>
	Totals			<u>8,111</u>			<u>23,931</u>

Source: GPIF Target and Range Summary (Exhibit ARB-1P, Page 4 of 94).

FPL:

**Table 15-2
 GPIF Targets/Ranges for the period January-December, 2025**

	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
FPL	Canaveral 3	92.3	94.8	858	6,750	6,837	1,473
	Ft. Myers 2	91.2	93.7	163	7,394	7,612	3,269
	Manatee 3	90.3	92.8	670	6,899	7,057	3,503
	Martin 8	91.4	94.4	539	6,954	7,176	5,098
	Okeechobee 1	90.9	93.9	803	6,425	6,510	2,869
	Port Everglades 5	76.3	78.8	1,357	6,677	6,834	3,028

Table 15-2
GPIF Targets/Ranges for the period January-December, 2025

FPL	Plant/Unit	EAF			ANOHR		
		Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
	Riviera 5	94.3	96.8	640	6,631	6,706	1,946
	Sanford 4	93.3	95.8	116	7,312	7,414	1,454
	Sanford 5	83.1	85.6	149	7,293	7,397	1,400
	St. Lucie 1	82.6	85.6	4,404	10,387	10,486	368
	St. Lucie 2	93.6	96.6	4,375	10,341	10,438	306
	Turkey Point 3	93.6	96.6	4,184	10,524	10,679	561
	Turkey Point 4	84.3	87.3	4,011	10,418	10,548	399
	Turkey Point 5	83.6	86.1	809	7,157	7,257	1,051
	West County 1	91.0	94.0	874	7,028	7,152	2,621
	West County 2	93.5	96.0	935	6,893	7,001	2,780
	West County 3	88.0	90.5	772	7,068	7,173	2,244
	Totals*			<u>\$25,659</u>			<u>\$34,370</u>

Source: GPIF Target and Range Summary, including Errata (Exhibit CRR-2, Pages 8-9 of 46)

TECO:

Table 15-3
GPIF Targets/Ranges for the period January-December, 2025

TECO	Plant/Unit	Target	Maximum		Target	Maximum	
		EAF (%)	EAF (%)	Savings (\$000's)	ANOHR Btu/kWh	ANOHR Btu/kWh	Savings (\$000's)
			Big Bend CC 1	93.4	94.2	2,497	6,262
	Polk 2	71.9	74.3	4,818	7,456	7,871	4,747
	Bayside 1	70.6	72.3	2,256	7,349	7,617	9,646
	Bayside 2	93.3	94.1	247	7,723	8,638	6,317
	Totals			<u>\$9,818</u>			<u>\$21,553</u>

Source: GPIF Target and Range Summary (Exhibit EBV-2, Document 1, Page 4 of 28).

FUEL FACTOR CALCULATION ISSUES

ISSUE 16: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2025 through December 2025?

Stipulations:

DEF: \$1,599,414,275.

FPL: \$3,431,589,874.

FPUC: \$47,355,945.

TECO: \$671,420,329.

ISSUE 17: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2025 through December 2025?

Stipulations:

DEF: N/A.

FPL: N/A.

FPUC: 1.000848

TECO: 1.000848

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

Stipulations:

DEF: 3.918 cents per kWh.

FPL: January 2025, 2.748 cents per kWh.
February - December 2025, 2.710 cents per kWh.

FPUC: 5.550 cents per kWh.

TECO: January – May 2025, 3.078 cents per kWh.
June – December 2025, 3.386 cents per kWh.

ISSUE 19: What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

Stipulations:

DEF:

**Table 19-1
DEF Fuel Recovery Line Loss Multipliers
for the period January-December, 2025**

Delivery Voltage Level	Line Loss Multiplier
Transmission	0.9800
Distribution Primary	0.9900
Distribution Secondary	1.0000
Lighting Service	1.0000

Source: Exhibit GPD-3, Part 2, Page 1 of 1.

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 shown in Issue No. 20.

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 1.00000

TECO:

**Table 19-4
TECO Fuel Recovery Line Loss Multipliers
for the period January-December, 2025**

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

Source: Exhibit ZDJ-3, Document No. 2, Pages 7-8 of 46.

ISSUE 20: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

Stipulations:

DEF:

Table 20-1
DEF Fuel Cost Recovery Factors for the period January-December, 2025

Delivery Voltage Level	Fuel Cost Recovery Factors (cents/kWh)			Time of Use (cents/kWh)		
	First Tier	Second Tier	Levelized	On-Peak Multiplier 1.137	Off-Peak Multiplier 0.995	Discount Multiplier 0.909
Transmission	--	--	3.847	4.374	3.828	3.497
Distribution Primary	--	--	3.886	4.418	3.867	3.532
Distribution Secondary	3.630	4.700	3.925	4.463	3.905	3.568
Lighting Service	--	--	3.829	--	--	--

Source: Schedule E1-E (Exhibit GPD-3, Part 2, Page 1 of 1).

FPL:

Table 20-2
FPL Fuel Cost Recovery Factors for the period January, 2025

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
Group	Rate Schedule	Avg. Factor (cents/kWh)	Fuel Recovery Loss Multiplier	Fuel Recovery Factor (cents/kWh)
A	RS-1, first 1,000 kWh	2.748	1.00297	2.446
	RS-1, all additional kWh	2.748	1.00297	3.446
	GS-1, SL-2, SL-2M, GSCU-1	2.748	1.00297	2.756
A-1	SL-1, SL-1M, OL-1, PL-1 (1), LT-1, OS I/II	2.676	1.00297	2.684
B	GSD-1, GSD-1EV	2.748	1.00290	2.756
C	GSLD-1, GSLD-1EV, CS-1	2.748	1.00181	2.753
D	GSLD-2, CS-2, OS-2, MET	2.748	0.99415	2.732
E	GSLD-3, CS-3	2.748	0.97310	2.674
A	GST-1 On-Peak	3.108	1.00297	3.117
	GST-1 Off Peak	2.593	1.00297	2.601
	RTR-1 On-Peak			0.361
	RTR-1 Off-Peak			(0.155)
B	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 On-Peak	3.108	1.00289	3.117
	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 Off-Peak	2.593	1.00289	2.601
C	GSLDT-1, CST-1, SST-1D(2), HLFT-2 On-Peak	3.108	1.00181	3.114
	GSLDT-1, CST-1, SST-1D(2), HLFT-2 Off-Peak	2.593	1.00181	2.598
D	GSLDT-2, CST-2, SST-1D(3), HLFT-3 On-Peak	3.108	0.99439	3.091
	GSLDT-2, CST-2, SST-1D(3), HLFT-3 Off-Peak	2.593	0.99439	2.579
E	GSLDT-3, CST-3, CILC-1(T), SST-1(T), ISST-1(T) On-Peak	3.108	0.97310	3.024
	GSLDT-3, CST-3, CILC-1(T), SST-1(T) ISST-1(T) Off-Peak	2.593	0.97310	2.524
F	CILC-1(D), ISST-1(D) On-Peak	3.108	0.99459	3.091
	CILC-1(D), ISST-1(D) Off-Peak	2.593	0.99459	2.579

Source: Schedule E1-E, (Exhibit AM-5, 2024 FCR Projections, Pages 7 of 174).

Table 20-3
FPL Fuel Cost Recovery Factors for the period January, 2025

Seasonal Demand Time of Use Rider (SDTR) Fuel Recovery Factors				
Group	Rate Schedule	Average Factor (cents/kWh)	Fuel Recovery Loss Multiplier	Fuel Recovery Factor (cents/kWh)
B	GSD(T)-1 On-Peak	3.135	1.00290	3.144
	GSD(T)-1 Off-Peak	2.698	1.00290	2.706
C	GSLD(T)-1 On-Peak	3.135	1.00181	3.141
	GSLD(T)-1 Off-Peak	2.698	1.00181	2.703
D	GSLD(T)-2 On-Peak	3.135	0.99439	3.117
	GSLD(T)-2 Off-Peak	2.698	0.99439	2.683

Source: Schedule E1-E, (Exhibit AM-5, 2024 FCR Projections, Pages 8 of 174).

Table 20-4
FPL Fuel Cost Recovery Factors for the period February-December, 2025

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
Group	Rate Schedule	Avg. Factor (cents/kWh)	Fuel Recovery Loss Multiplier	Fuel Recovery Factor (cents/kWh)
A	RS-1, first 1,000 kWh	2.710	1.00297	2.408
	RS-1, all additional kWh	2.710	1.00297	3.408
	GS-1, SL-2, SL-2M, GSCU-1	2.710	1.00297	2.718
A-1	SL-1, SL-1M, OL-1, PL-1 (1), LT-1, OS I/II	2.639	1.00297	2.647
B	GSD-1, GSD-1EV	2.710	1.00290	2.718
C	GSLD-1, GSLD-1EV, CS-1	2.710	1.00181	2.715
D	GSLD-2, CS-2, OS-2, MET	2.710	0.99415	2.694
E	GSLD-3, CS-3	2.710	0.97310	2.637
A	GST-1 On-Peak	3.065	1.00297	3.074
	GST-1 Off Peak	2.558	1.00297	2.565
	RTR-1 On-Peak			0.356
	RTR-1 Off-Peak			(0.153)
B	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 On-Peak	3.065	1.00289	3.074
	GSDT-1, CILC-1(G), SST-1D(1), HLFT-1 Off-Peak	2.558	1.00289	2.565
C	GSLDT-1, CST-1, SST-1D(2), HLFT-2 On-Peak	3.065	1.00181	3.071
	GSLDT-1, CST-1, SST-1D(2), HLFT-2 Off-Peak	2.558	1.00181	2.562
D	GSLDT-2, CST-2, SST-1D(3), HLFT-3 On-Peak	3.065	0.99439	3.048

Table 20-4
FPL Fuel Cost Recovery Factors for the period February-December, 2025

Fuel Recovery Factors – By Rate Group (Adjusted for Line Losses)				
Group	Rate Schedule	Avg. Factor (cents/kWh)	Fuel Recovery Loss Multiplier	Fuel Recovery Factor (cents/kWh)
	GSLDT-2, CST-2, SST-1D(3), HLFT-3 Off-Peak	2.558	0.99439	2.543
E	GSLDT-3, CST-3, CILC-1(T), SST-1(T), ISST-1(T) On-Peak	3.065	0.97310	2.983
	GSLDT-3, CST-3, CILC-1(T), SST-1(T) ISST-1(T) Off-Peak	2.558	0.97310	2.489
F	CILC-1(D), ISST-1(D) On-Peak	3.065	0.99459	3.049
	CILC-1(D), ISST-1(D) Off-Peak	2.558	0.99459	2.544

Source: Schedule E1-E, (Exhibit AM-6, 2024 FCR Projections, Page 4 of 8).

Table 20-5
FPL Fuel Cost Recovery Factors for the period February-December, 2025

Seasonal Demand Time of Use Rider (SDTR) Fuel Recovery Factors				
Group	Rate Schedule	Average Factor (cents/kWh)	Fuel Recovery Loss Multiplier	Fuel Recovery Factor (cents/kWh)
B	GSD(T)-1 On-Peak	3.092	1.00290	3.101
	GSD(T)-1 Off-Peak	2.661	1.00290	2.669
C	GSLD(T)-1 On-Peak	3.092	1.00181	3.097
	GSLD(T)-1 Off-Peak	2.661	1.00181	2.666
D	GSLD(T)-2 On-Peak	3.092	0.99439	3.074
	GSLD(T)-2 Off-Peak	2.661	0.99439	2.646

Source: Schedule E1-E, (Exhibit AM-6, 2024 FCR Projections, Page 5 of 8).

FPUC:

Table 20-6
FPUC Fuel Cost Recovery Factors for the period January-December, 2025

Fuel Recovery Factors – By Rate Schedule		Fuel Recovery Factors – By Rate Schedule	
Rate Schedule		Levelized Adjustment (cents/kWh)	
RS			7.849
GS			7.890
GSD			7.392
GSLD			7.176
LS			5.872

Source: Schedule E1, Page 3 of 3 (Exhibit BB-2, Page 3 of 8).

Table 20-7
FPUC Fuel Cost Recovery Factors for the period January-December, 2025

Step Rate Allocation For Residential Customers (RS Rate Schedule)	
Rate Schedule and Allocation	Levelized Adjustment (cents/kWh)
RS Rate Schedule – Sales Allocation	7.849
RS Rate Schedule with less than or equal to 1,000 kWh/month	7.505
RS Rate Schedule with greater than 1,000 kWh/month	8.755

Source: Schedule E1, Page 3 of 3 (Exhibit BB-2, Page 3 of 8).

TECO:

*The rates shown in Tables 20-8 and 20-9 were calculated using the modified time-of-day periods proposed by TECO in Docket No. 20240026-EI, *Petition for rate increase by Tampa Electric Company*. If the Commission were to deny the proposed time-of-day periods in Docket No. 20240026-EI, then TECO should be required to implement the rates shown in Tables 20-10 and 20-11.

Table 20-8
***TECO Fuel Cost Recovery Factors for the period January-May, 2025**
Under Methodology Proposed in Docket No. 20240026-EI

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (First 1,000 kWh)	Second Tier (Over 1,000 kWh)
STANDARD			
Distribution Secondary (RS only)	--	2.852	3.852
Distribution Secondary	3.083		
Distribution Primary	3.052		
Transmission	3.021		
Lighting Service	3.068		
TIME OF USE			
Distribution Secondary- On-Peak	3.238		
Distribution Secondary- Off-Peak	3.034		
Distribution Secondary- Super Off-Peak	3.001		
Distribution Primary- On-Peak	3.206		
Distribution Primary- Off-Peak	3.004		
Distribution Primary- Super Off-Peak	2.971		
Transmission- On-Peak	3.173		
Transmission- Off-Peak	2.973		
Transmission- Super Off-Peak	2.941		

Source: Exhibit ZDJ-3, Document No. 4, Page 2 of 5.

Table 20-9
***TECO Fuel Cost Recovery Factors for the period June-December, 2025**
Under Methodology Proposed in Docket No. 20240026-EI

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (First 1,000 kWh)	Second Tier (Over 1,000 kWh)
STANDARD			
Distribution Secondary (RS only)	--	3.044	4.044
Distribution Secondary	3.391		
Distribution Primary	3.357		
Transmission	3.323		
Lighting Service	3.374		
TIME OF USE			
Distribution Secondary- On-Peak	3.561		
Distribution Secondary- Off-Peak	3.336		
Distribution Secondary- Super Off-Peak	3.301		
Distribution Primary- On-Peak	3.525		
Distribution Primary- Off-Peak	3.303		
Distribution Primary- Super Off-Peak	3.268		
Transmission- On-Peak	3.490		
Transmission- Off-Peak	3.269		
Transmission- Super Off-Peak	3.235		

Source: Exhibit ZDJ-3, Document No. 4, Page 3 of 5.

**Table 20-10
 TECO Fuel Cost Recovery Factors for the period January-May, 2025**

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (First 1,000 kWh)	Second Tier (Over 1,000 kWh)
STANDARD			
Distribution Secondary (RS only)	--	2.852	3.852
Distribution Secondary	3.083		
Distribution Primary	3.052		
Transmission	3.021		
Lighting Service	3.059		
TIME OF USE			
Distribution Secondary- On-Peak	3.227		
Distribution Secondary- Off-Peak	3.024		
Distribution Primary- On-Peak	3.195		
Distribution Primary- Off-Peak	2.994		
Transmission- On-Peak	3.162		
Transmission- Off-Peak	2.964		

Source: Exhibit ZDJ-3, Document No. 2, Page 9 of 46.

**Table 20-11
 TECO Fuel Cost Recovery Factors for the period June-December, 2025**

Metering Voltage Level	Fuel Cost Recovery Factors (cents per kWh)		
	Levelized Fuel Recovery Factor	First Tier (First 1,000 kWh)	Second Tier (Over 1,000 kWh)
STANDARD			
Distribution Secondary (RS only)	--	3.044	4.044
Distribution Secondary	3.391		
Distribution Primary	3.357		
Transmission	3.323		
Lighting Service	3.363		
TIME OF USE			
Distribution Secondary- On-Peak	3.549		
Distribution Secondary- Off-Peak	3.325		
Distribution Primary- On-Peak	3.514		
Distribution Primary- Off-Peak	3.292		
Transmission- On-Peak	3.478		
Transmission- Off-Peak	3.259		

Source: Exhibit ZDJ-3, Document No. 2, Page 10 of 46.

II. CAPACITY ISSUES

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

Duke Energy Florida, LLC

ISSUE 21A: What is the appropriate amount of costs for the Independent Spent Fuel Storage Installation (ISFSI) that DEF should be allowed to recover through the capacity cost recovery clause pursuant to DEF's 2017 Settlement for 2025?

Stipulation: \$11,525,180.

Florida Power & Light Company

No company-specific capacity cost recovery factor issues for Florida Power & Light Company have been identified at this time. If such issues are identified, they will be numbered 22A, 22B, 22C, and so forth, as appropriate.

Tampa Electric Company

No company-specific capacity cost recovery factor issues for Tampa Electric Company have been identified at this time. If such issues are identified, they will be numbered 23A, 23B, 23C, and so forth, as appropriate.

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 24: What are the appropriate final capacity cost recovery true-up amounts for the period January 2023 through December 2023?

Stipulations:

DEF: Under-recovery of \$8,431,790.

FPL: Over-recovery of \$7,342,001

TECO: Under-recovery of \$1,888,665.

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

Stipulations:

DEF: Over-recovery of \$1,632,844.

FPL: Under-recovery of \$6,402,666.

TECO: Under -recovery of \$9,348,304.

ISSUE 26: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2025 through December 2025?

Stipulations:

DEF: Under-recovery of \$6,798,946.

FPL: Over-recovery of \$939,336.

TECO: Under-recovery of \$11,236,969.

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

Stipulations:

DEF: \$127,743,993.

FPL: \$121,736,404.

TECO: \$6,019,725.

ISSUE 28: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2025 through December 2025?

Stipulations:

DEF: \$146,068,118.

FPL: \$116,885,784.

TECO: \$17,271,328.

ISSUE 29: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2025 through December 2025?

Stipulations:

DEF: Base: 100.000 percent, Intermediate: 95.212 percent, and Peaking: 97.632 percent.

FPL: Demand: Transmission 88.7807 percent, Non-Stratified/Base/Solar 96.0110 percent, Intermediate 95.4157 percent, Peaking 94.9428 percent, Distribution 100.0000 percent.

Energy: Non-Stratified/Base/Solar 95.7062 percent, Intermediate 93.9405 percent, Peaking 95.6020 percent.

General Plant: Labor 96.9425 percent.

TECO: The appropriate jurisdictional separation factor is 1.00

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

Stipulations:

DEF:

**Table 30-1
 DEF Capacity Cost Recovery Factors for the period January–December, 2025**

Rate Class		Capacity and ISFSI Cost Recovery Factors	
		¢/kWh	\$/kW-month
Residential (RS-1, RST-1, RSL-1, RSL-2) At Secondary Voltage		0.410	
General Service Non-Demand (GS-1, GST-1)			
	At Secondary Voltage	0.357	
	At Primary Voltage	0.353	
	At Transmission Voltage	0.350	
General Service (GS-2)		0.252	
Lighting (LS-1)		0.107	
General Service Demand (GSD-1, GSDDT-1, SS-1)			
	At Secondary Voltage		1.07
	At Primary Voltage		1.06
	At Transmission Voltage		1.05
Curtable (CS-2, CST-2, CS-3, CST-3, SS-3)			
	At Secondary Voltage		0.72
	At Primary Voltage		0.71

**Table 30-1
DEF Capacity Cost Recovery Factors for the period January–December, 2025**

Rate Class		Capacity and ISFSI Cost Recovery Factors	
		¢/kWh	\$/kW-month
	At Transmission Voltage		0.71
Interruptible (IS-2, IST-2, SS-2)			
	At Secondary Voltage		0.88
	At Primary Voltage		0.87
	At Transmission Voltage		0.86
Standby Monthly (SS-1, 2, 3)			
	At Secondary Voltage		0.103
	At Primary Voltage		0.102
	At Transmission Voltage		0.101
Standby Daily (SS-1, 2, 3)			
	At Secondary Voltage		0.049
	At Primary Voltage		0.049
	At Transmission Voltage		0.048

Source: Schedule E12-E (Exhibit GPD-3, Part 3, Page 1 of 1

FPL:

Table 30-2
**FPL Capacity Cost Recovery Factors (with IRA Refund) for the period January–
 December, 2025**

Rate Schedule	2025 Capacity Cost Recovery Factors			
	\$/kW	\$/kWh	Reservation Demand Charge (RDC) \$/kW	Sum of Daily Demand Charge (SDD) \$/kW
RS1/RTR1	-	0.00103	-	-
GS1/GST1	-	0.00092	-	-
GSD1/GSDT1/HLFT1/GSD1-EV	0.32	-	-	-
OS2	-	0.00041	-	-
GSLD1/GSLDT1/CS1/CST1/HLFT2/GSLD1-EV	0.35	-	-	-
GSLD2/GSLDT2/CS2/CST2/HLFT3	0.35	-	-	-
GSLD3/GSLDT3/CS3/CST3	0.35	-	-	-
SST1T	-	-	0.04	0.02
SST1D1/SST1D2/SST1D3	-	-	0.05	0.02
CILC D/CILC G	0.36	-	-	-
CILC T	0.36	-	-	-
MET	0.30	-	-	-
OL1/SL1/SL1M/PL1/OSI/II/LT1	-	0.00007	-	-
SL2/SL2M/GSCU1	-	0.00065	-	-

TECO:

Table 30-3

TECO Capacity Cost Recovery Factors for the period January–December, 2025

Rate Class and Metering Voltage	2025 Capacity Cost Recovery Factors	
	¢/kWh	\$/kW
RS	0.096	-
GS and CS	0.088	
GSD, RSD		
Secondary		0.31
Primary	-	0.31
Transmission		0.30
GSD Optional		
Secondary	0.075	-
Primary	0.074	
Transmission	0.074	
GSLDPR/GSLDTPR		0.26
GSLDSU/GSLDTSU	-	0.30
LS-1, LS-2	0.018	-

Source: Exhibit ZDJ-3, Document No. 1, Page 3 of 4.

III. EFFECTIVE DATE

ISSUE 31: What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

Stipulation: Revised factors should become effective with the first billing cycle of January 2025.

ISSUE 32: Should the Commission approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be appropriate in this proceeding?

Stipulation: Yes. The Commission should approve revised tariffs reflecting the fuel adjustment factors and capacity cost recovery factors determined to be reasonable in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission’s decisions.

ISSUE 33: Should this docket be closed?

Stipulation: No, this is a continuing docket and should remain open.